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12
13 UNITED STATES DISTRICT COURT
14 FOR THE CENTRAL DISTRICT OF CALIFORNIA
15 WESTERN DIVISION

16 UNITED STATES OF AMERICA,

17 Plaintiff,

18 v.

19 ANY AND ALL FUNDS SEIZED FROM
20 KNAB BANK ACCOUNT `7664,

21 Defendant.
22
23
24
25
26
27
28

No. CV 18-8748

VERIFIED COMPLAINT FOR FORFEITURE

18 U.S.C. §§ 981(a)(1)(A) & (C)

[U.S.P.I.S.]

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1 The United States of America brings this complaint against the
2 above-captioned asset(s) and alleges as follows:

3 **PERSONS AND ENTITIES**

4 1. The plaintiff is the United States of America ("plaintiff"
5 or the "government").

6 2. The defendant is Any and All Funds Seized from Knab Bank
7 Account '7664, (hereinafter, the "Defendant Asset" or "Account 51").

8 3. The Defendant Asset is held in the names of Procop Services
9 BV. The persons and entities whose interests may be affected by this
10 action are Michael Lacey, James Larkin, Scott Spear, John "Jed"
11 Brunst, Daniel Hyer, Andrew Padilla, and Joye Vaught.

12 4. Contemporaneously with the filing of this complaint,
13 plaintiff is filing related actions seeking the civil forfeiture of
14 the following assets (collectively, the "Subject Assets"):

15 **FUNDS HELD IN THE NAME OF POSTING SOLUTIONS:**

16 a. \$3,374,918.61 seized from Prosperity Bank account '7188
17 ("Prosperity '7188 Funds" or "Account 1") held in the name of Posting
18 Solutions, LLC.¹

19 **FUNDS HELD IN THE NAME OF CEREUS PROPERTIES LLC:**

20 b. \$5,462,027.17 seized from Compass Bank account '3873
21 ("Compass '3873 Funds" or "Account 2"), held in the name of Cereus
22 Properties, LLC, an entity owned or controlled by Scott Spear.

23 c. \$407,686.14 seized from Compass Bank account '4862
24 ("Compass '4862 Funds" or "Account 3"), held in the name of Cereus
25 Properties, LLC.

26
27
28 ¹ Attached hereto as exhibit A is an index of the Subject Assets
that consist of funds or securities on deposit at or seized from
financial institutions.

ASSETS HELD BY OR FOR THE BENEFIT OF MICHAEL LACEY:

d. \$689,884.48 seized from First Federal Savings & Loan of San Rafael account '3620 ("FFS&L of SR '3620 Funds" or "Account 4"), held in the name of Michael Lacey ("Lacey");

e. \$515,899.85 seized from Republic Bank of Arizona account '2485 ("RBA '2485 Funds" or "Account 5"), held in the name of Lacey;

f. \$75,835.31 seized from Republic Bank of Arizona account '1897 ("RBA '1897 Funds" or "Account 6"), held in the name of Lacey;

g. \$500,000.00 seized from Republic Bank of Arizona account '3126 ("RBA '3126 Funds" or "Account 7"), held in the name of Lacey;

h. \$600,000.00 seized from or frozen in Republic Bank of Arizona Certificate of Deposit ("CDARS")² account '8316 ("RBA '8316 Funds" or "Account 8"), held in the name of Lacey;

i. \$302,177.57 seized from or frozen in Republic Bank of Arizona CDARS account '8324 ("RBA '8324 Funds" or "Account 9"), held in the name of Lacey;

j. \$300,000.00 seized from or frozen in Republic Bank of Arizona CDARS account '8332 ("RBA '8332 Funds" or "Account 10"), held in the name of Lacey;

k. \$734,603.70 seized from or frozen in Credit Union account '2523 ("SFFCU '2523 Funds" or "Account 11"), held in the name of Lacey;

l. \$2,412,785.47 seized from or frozen in place at Money Gram, having originated from Midfirst Bank account '4139 ("IOLTA"³ '4139" or

² CDARS is a program that allows a depositor to spread funds across several banks in order to maintain account balances below the Federal Deposit Insurance Corporation's insurance limits at any particular bank.

³ An "IOLTA" is the common name for an Interest on Lawyer Trust Account.

1 Account 12), held in the name of attorney, "J.B." for the benefit of
2 Lacey;

3 m. All right and title to the real property located in
4 Sebastopol, California titled in the name of Finca Manzana for
5 Sebastopol, LLC ("Sebastopol Property"), APN 076-100-0008-000,
6 including all appurtenances, improvements, and attachments thereon,
7 as well as all leases, rents, and profits derived therefrom;⁴

8 n. All right and title to the real property located in San
9 Francisco, California titled in the name of Lacey and Alyson Talley
10 ("San Francisco Property 1"), APN 07-1008-057-01, including all
11 appurtenances, improvements, and attachments thereon, as well as all
12 leases, rents, and profits derived therefrom;

13 o. All right and title to the real property located in San
14 Francisco, California titled in the name of Casa Bahia for San
15 Francisco, LLC ("San Francisco Property 2"), APN 0563-029, including
16 all appurtenances, improvements, and attachments thereon, as well as
17 all leases, rents, and profits derived therefrom;

18 p. All right and title to the real property located in San
19 Francisco, California titled in the name of Lacey ("San Francisco
20 Property 3"), APN 0097C011, including all appurtenances,
21 improvements, and attachments thereon, as well as all leases, rents,
22 and profits derived therefrom;

23 q. All right and title to the real property located in Sedona,
24 Arizona titled in the name of Creek Hideaway, LLC ("Sedona
25 Property"), APN 405-06-001B, including all appurtenances,
26 improvements, and attachments thereon, as well as all leases, rents,
27

28 ⁴ Pursuant to Local Rule 5.2-1, only the city and state of
residence addresses are set forth in this Complaint

1 and profits derived therefrom;

2 r. All right and title to the real property located in
3 Paradise Valley, Arizona titled in the name of Lacey ("Paradise
4 Valley Property 2"), APN 164-05-122, including all appurtenances,
5 improvements, and attachments thereon, as well as all leases, rents,
6 and profits derived therefrom;

7 **ASSETS HELD BY OR FOR THE BENEFIT OF JAMES LARKIN:**

8 s. \$1,546,076.35 seized from Republic Bank of Arizona account
9 '1889 ("RBA '1889 Funds" or "Account 13"), held in the name of James
10 Larkin ("Larkin");

11 t. \$1,001,731.18 seized from Republic Bank of Arizona account
12 '2592 ("RBA '2592 Funds" or "Account 14"), held in the name of
13 Larkin;

14 u. \$206,156.00 seized from Republic Bank of Arizona account
15 '1938 ("RBA '1938 Funds" or "Account 15"), held in the name of
16 Larkin;

17 v. \$501,248.14 seized from Republic Bank of Arizona account
18 '8103 ("RBA '8103 Funds" or "Account 16"), held in the name of
19 Larkin;

20 w. \$251,436 seized from Republic Bank of Arizona account '8162
21 ("RBA '8162 Funds" or "Account 17"), held in the name of Larkin;

22 x. Any and all funds on deposit in Republic Bank of Arizona
23 account '8189 ("RBA '8189 Funds" or "Account 18"), held in the name
24 of Larkin. RBA is holding the account until it matures, at which
25 time RBA will issue a check to the government for all funds in
26 Account 18;

27 y. \$621,832.06 in U.S. currency seized from Perkins Coie Trust
28 Company account '0012 ("PCTC '0012 Funds" or "Account 19"), held in

1 the name of Margaret Larkin ("M. Larkin");

2 z. \$9,882,828.72 in securities or investment instruments
3 seized from Perkins Coie Trust Company account '0012 ("PCTC
4 Investment Funds" or "Account 20"), held in the name of M. Larkin;

5 aa. \$34,149,280.00 seized from Acacia Conservation Fund LP
6 account '2020 ("ACF Funds" or "Account 21"), held in the name of
7 Ocotillo Family Trust;

8 bb. \$278.73 seized from Bank of America account '8225 ("BA
9 '8225 Funds" or "Account 22"), held in the name of Troy C. Larkin
10 ("T. Larkin");

11 cc. \$1,038.42 seized from Bank of America account '7054 ("BA
12 '7054 Funds" or "Account 23"), held in the name Ramon Larkin ("R.
13 Larkin");

14 dd. All right and title to the real property located in
15 Paradise Valley, Arizona titled in the name of Larkin ("Paradise
16 Valley Property 1"), APN 173-11-006C, including all appurtenances,
17 improvements, and attachments thereon, as well as all leases, rents,
18 and profits derived therefrom;

19 ee. All right and title to the real property located in Saint
20 Helena, California titled in the name of Larkin and M. Larkin,
21 Trustees for Ocotillo Family Trust ("Saint Helena Property"), APN
22 030-050-028-000, including all appurtenances, improvements, and
23 attachments thereon, as well as all leases, rents, and profits
24 derived therefrom;

25 ff. All right and title to the real property located in
26 Chicago, Illinois titled in the name of John C. Larkin ("J.C.
27 Larkin"), M. Larkin and Larkin ("Chicago Property"), APN 20-14-201-
28 079-1054, including all appurtenances, improvements, and attachments

1 thereon, as well as all leases, rents, and profits derived therefrom;

2 **ASSETS HELD BY OR FOR THE BENEFIT OF JOHN BRUNST:**

3 gg. \$359,527.06 seized from Compass Bank account number '3825
4 ("Compass '3825 Funds" or "Account 24"), held in the name of the
5 John Brunst Family Trust;

6 hh. \$5,848,729.00 seized from Alliance Bernstein account '6878
7 ("AB '6878 Funds" or "Account 25"), held in the name of the Brunst
8 Family Trust;

9 ii. \$372,878.00 seized from Alliance Bernstein account '4954
10 ("AB '4954 Funds" or "Account 26"), held in the name of the Brunst
11 Family Trust;

12 jj. \$342,596.00 seized from Alliance Bernstein account '7982
13 ("AB '7892 Funds" or "Account 27"), held in the name of the Brunst
14 Family Trust;

15 kk. \$306,277.00 seized from Alliance Bernstein account '7889
16 ("AB '7889 Funds" or "Account 28"), held in the name of the Brunst
17 Family Trust;

18 ll. \$275,328.00 seized from Alliance Bernstein account '7888
19 ("AB '7888 Funds" or "Account 29"), held in the name of the Brunst
20 Family Trust;

21 mm. \$527,624.00 seized from Alliance Bernstein account '6485
22 ("AB '6485 Funds" or "Account 30"), held in the name of the Brunst
23 Family Trust;

24 **ASSETS HELD BY OR FOR THE BENEFIT OF SCOTT SPEAR:**

25 nn. \$404,374.12 seized from National Bank of Arizona account
26 '0178 ("NBA '0178 Funds" or "Account 31"), held in the name of Scott
27 Spear ("Spear");

28 oo. \$1,925.80 seized from National Bank of Arizona account

1 '0151 ("NBA '0151 Funds" or "Account 32"), held in the name of Spear
2 and Ellona Spear ("E. Spear"); and

3 pp. \$613,573.28 seized from National Bank of Arizona account
4 '3645 ("NBA '3645 Funds" or "Account 33"), held in the name of Spear
5 and E. Spear Family Trust.

6 qq. \$260,283.40 seized from National Bank of Arizona account
7 '6910 ("NBA '6910 Funds" or "Account 34"), held in the name of Spear
8 and E. Spear Family Trust.

9 rr. \$64,552.82 seized from or frozen in Ascensus Broker
10 Services '4301 ("ABS '4301 Funds" or "Account 35"), held in the name
11 of Natasha Spear ("N. Spear").

12 ss. \$56,902.99 seized from or frozen in Ascensus Broker
13 Services '8001 ("ABS '8001 Funds" or "Account 36"), held in the name
14 of N. Spear.

15 **FUNDS HELD IN THE NAME OF PRIMUS TRUST**

16 tt. \$16,500,000 seized from K&H account '1210 ("K&H '1210
17 Funds" or "Account 37"), held in the name of Primus Trust, with Lacey
18 being at least one of the beneficiaries of the Trust. The bank is
19 located in Hungary.

20 **FUNDS HELD IN THE NAME OF GOLD LEAF SRO**

21 uu. €1,680,028.85 seized from Fio account '2226 ("Fio '2226
22 Funds" or "Account 38"), held in the name of the Gold Leaf SRO. The
23 bank is located in the Czech Republic;

24 vv. £60.98 seized from Fio account '2231 ("Fio '2231 Funds" or
25 "Account 39"), held in the name of the Gold Leaf SRO. The bank is
26 located in the Czech Republic;

27 ww. \$72.87 seized from Fio account '2230 ("Fio '2230 Funds" or
28 "Account 40"), held in the name of the Gold Leaf SRO. The bank is

1 located in the Czech Republic;

2 **FUNDS HELD IN THE NAME OF PROTECCTIO SRO**

3 xx. €3,213,937.82 seized from Fio account '4194 ("Fio '4194
4 Funds" or "Account 41"), held in the name of the Protecctio SRO. The
5 bank is located in the Czech Republic;

6 yy. \$52.90 seized from Fio account '4196 ("Fio '4196 Funds" or
7 "Account 42"), held in the name of the Protecctio SRO. The bank is
8 located in the Czech Republic;

9 zz. £52.65 seized from Fio account '4198 ("Fio '4198 Funds" or
10 "Account 43"), held in the name of the Protecctio SRO. The bank is
11 located in the Czech Republic;

12 **FUNDS HELD IN THE NAME OF VARICOK COMPANY SRO**

13 aaa. €605,976.95 seized from Fio account '8083 ("Fio '8083
14 Funds" or "Account 44"), held in the name of the Varicok Company SRO.
15 The bank is located in the Czech Republic;

16 bbb. £458.99 seized from Fio account '8086 ("Fio '8086 Funds" or
17 "Account 45"), held in the name of the Varicok Company SRO. The bank
18 is located in the Czech Republic;

19 ccc. \$48.10 seized from Fio account '8080 ("Fio '8080 Funds" or
20 "Account 46"), held in the name of the Varicok Company SRO. The bank
21 is located in the Czech Republic.

22 **FUNDS HELD IN THE NAME OF AD TECH BV**

23 ddd. Any and all funds seized from Bank Frick account 'K000 K
24 ("BF 'K000 K Funds" or "Account 47") on or about June 1, 2018, held
25 in the name of Ad Tech BV. The bank is located in the Principality
26 of Liechtenstein;

27 eee. Any and all funds seized from Bank Frick account 'K000 U
28 ("BF 'K000 U Funds" or "Account 48") on or about June 1, 2018, held

1 in the name of Ad Tech BV. The bank is located in the Principality
2 of Liechtenstein;

3 fff. Any and all funds seized from Bank Frick account 'K000 E
4 ("BF 'K000 E Funds" or "Account 49") on or about June 1, 2018, held
5 in the name of Ad Tech BV. The bank is located in the Principality
6 of Liechtenstein;

7 ggg. Any and all funds seized from Bank Frick account 'K001 K
8 ("BF 'K001 K Funds" or "Account 50") on or about June 1, 2018, held
9 in the name of Ad Tech BV. The bank is located in the Principality
10 of Liechtenstein.

11 **FUNDS HELD IN THE NAME OF PROCOP SERVICES BV**

12 hhh. Any and all funds seized from Knab Bank account '7664 ("KB
13 '7664 Funds" or "Account 51") on or about May 24, 2018, held in the
14 name of Procop Services BV. The bank is located in the Kingdom of
15 the Netherlands.

16 **FUNDS HELD IN THE NAME OF GULIETTA GROUP BV**

17 iii. Any and all funds seized from Rabo Bank account '2452 ("RB
18 '2452 Funds" or "Account 52") on or about May 24, 2018, held in the
19 name of the Gulletta Group BV. The bank is located in the Kingdom of
20 the Netherlands.

21 **FUNDS HELD IN THE NAME OF UNIVERSADS BV**

22 jjj. Any and all funds seized from Rabo Bank account '4721 ("RB
23 '4721 Funds" or "Account 53") on or about May 24, 2018, held in the
24 name of the UniversAds BV. The bank is located in the Kingdom of the
25 Netherlands.

26 **FUNDS HELD IN THE NAME OF OLIST OU**

27 kkk. Any and all funds seized from LHV Pank account number '4431
28 ("LHVP '4431 Funds" or "Account 54") on or about June 15, 2018, held

1 in the name of Olist Ou ("Ou"). The bank is located in the Republic
2 of Estonia.

3 **FUNDS HELD IN THE NAME OF CASHFLOWS EUROPE LIMITED**

4 111. £747,664.15 seized from Saxo Payments account '1262 ("SP
5 '1262 Funds" or "Account 55"), held in the name of the Cashflows
6 Europe Limited ("Cashflows"). Cashflows is holding these funds for
7 the benefit of Gulietta Group B.V., Universads B.V, Procop Services
8 B.V., and Proteccio SRO, each of which is an entity owned or
9 controlled by Backpage (defined below). United Kingdom law
10 enforcement officials have restrained the funds held by these four
11 companies and consolidated them into this Saxo Payments account. The
12 bank is located in the United Kingdom.

13 **ASCIO/WMB INC DOMAIN NAMES⁵**

14 mmm. atlantabackpage.com; backpage.be; backpage.com;
15 backpage.com.br; backpage.cz; backpage.dk; backpage.ee; backpage.es;
16 backpage.fi; backpage.fr; backpage.gr; backpage.hu; backpage.ie;
17 backpage.it; backpage.lt; backpage.mx; backpage.net; backpage.no;
18 backpage.pl; backpage.pt; backpage.ro; backpage.si; backpage.sk;
19 backpage.us; backpage-insider.com; bestofbackpage.com;
20 bestofbigcity.com; bigcity.com; chicagobackpage.com;
21 denverbackpage.com; newyorkbackpage.com;
22 phoenixbackpage.com; sandiegobackpage.com; seattlebackpage.com; and
23 tampabackpage.com (collectively, the "Seized Domain Names"), and all
24

25 ⁵ Backpage, which operated principally online, controlled
26 numerous internet domain names. These domain names were registered
27 by "ASCIO TECHNOLOGIES INC" DBA "NETNAMES," a domain registrar.
28 Domain registrars serve to ensure that a registered domain name is
not licensed to more than one user. Domain registration allows the
owner of the domain to direct internet traffic to a specific
webserver.

rights and privileges associated therewith.

SURRENDERED⁶ DOMAIN NAMES

nnn. admoderation.com; admoderators.com; adnet.ws;
 adplace24.com; adplaces24.com; adpost24.com; adpost24.cz;
 adquick365.com; adreputation.com; ads-posted-mp.com; adsplace24.com;
 adspot24.com; adspots24.com; adsspot24.com; adtechbv.co.nl;
 adtechbv.com; adtechbv.nl; advert-ep.com; adverts-mp.com; axme.com;
 back0age.com; backpa.ge; backpaee.com; backpage-insider.com;
 backpage.adult; backpage.ae; backpage.at; backpage.ax; backpage.be;
 backpage.bg; backpage.bg; backpage.ca; backpage.cl; backpage.cn;
 backpage.cn; backpage.co.id; backpage.co.nl; backpage.co.nl;
 backpage.co.nz; backpage.co.uk; backpage.co.ve; backpage.co.za;
 backpage.com; backpage.com.ar; backpage.com.au; backpage.com.ph;
 backpage.cz; backpage.dk; backpage.ec; backpage.ee; backpage.ee;
 backpage.es; backpage.fi; backpage.fi; backpage.fr; backpage.fr;
 backpage.gr; backpage.gr; backpage.hk; backpage.hk; backpage.hu;
 backpage.hu; backpage.ie; backpage.in; backpage.it; backpage.jp;
 backpage.kr; backpage.lt; backpage.lv; backpage.lv; backpage.me;
 backpage.mx; backpage.my; backpage.net; backpage.nl; backpage.no;
 backpage.no; backpage.nz; backpage.pe; backpage.ph; backpage.pk;
 backpage.pl; backpage.porn; backpage.pt; backpage.ro; backpage.ro;
 backpage.se; backpage.sex; backpage.sg; backpage.si; backpage.si;
 backpage.sk; backpage.sk; backpage.sucks; backpage.tw; backpage.uk;
 backpage.uk.com; backpage.us; backpage.vn; backpage.xxx;
 backpage.xyz; backpagecompimp.com; backpagecompimps.com;

⁶ On April 5, 2018, in the District of Arizona, Backpage.com, LLC and related entities plead guilty to 18 U.S.C. § 1956(h) (money laundering conspiracy). Pursuant to its guilty plea, Backpage surrendered certain assets, including those identified herein.

1 backpagepimp.com; backpagepimps.com; backpageg.com; backpagegm.com;
2 backpagu.com; backpaoe.com; backpawe.com; backqage.com; backrage.com;
3 backxage.com; bakkpape.com; bcklistings.com; bestofbackpage.com;
4 bestofbigcity.com; bickpage.com; bigcity.com; bpclassified.com;
5 bpclassifieds.com; carlferrer.com; clasificadosymas.com;
6 clasificadosymas.net; clasificadosymas.org;
7 classifiedsolutions.co.uk; classifiedsolutions.net;
8 classyadultads.com; columbusbackpage.com; connecticutbackpage.com;
9 cracker.co.id; cracker.com; cracker.com.au; cracker.id;
10 cracker.net.au; crackers.com.au; crackers.net.au; ctbackpage.com;
11 dallasbackpage.com; denverbackpage.com; easypost123.com;
12 easyposts123.com; emais.com.pt; evilempire.com; ezpost123.com;
13 fackpage.com; fastadboard.com; gullettagroup.nl; http.org;
14 ichold.com; internetspeechfoundation.com;
15 internetspeechfoundation.org; loads2drive.com; loadstodrive.com;
16 loadtodrive.com; losangelesbackpage.com; mediafilecloud.com;
17 miamibackpage.com; minneapolisbackpage.com; mobileposting.com;
18 mobilepostings.com; mobilepostlist.com; mobilposting.com; naked.city;
19 nakedcity.com; newyorkbackpage.com; paidbyhour.com; petseekr.com;
20 petsfindr.com; phoenixbackpage.com; posteasy123.com; postfaster.com;
21 postfastly.com; postfastr.com; postonlinewith.com; postonlinewith.me;
22 postseasy123.com; postsol.com; postszone24.com; postzone24.com;
23 postzones24.com; rentseekr.com; results911.com; sandiegobackpage.com;
24 sanfranciscobackpage.com; seattlebackpage.com; sellyostuffonline.com;
25 sfbackpage.com; simplepost24.com; simpleposts24.com; svc.ws;
26 truckrjobs.com; ugctechgroup.com; universads.nl;
27 villagevoicepimps.com; websitetechologies.co.uk;
28 websitetechologies.com; websitetechologies.net;

1 websitetechologies.nl; websitetechologies.org; weprocessmoney.com;
 2 wst.ws; xn--yms-fla.com; ymas.ar.com; ymas.br.com; ymas.br.com;
 3 ymas.bz; ymas.bz; ymas.cl; ymas.cl; ymas.co.bz; ymas.co.bz;
 4 ymas.co.cr; ymas.co.cr; ymas.co.ni; ymas.co.ni; ymas.co.ve;
 5 ymas.co.ve; ymas.com; ymas.com.br; ymas.com.br; ymas.com.bz;
 6 ymas.com.bz; ymas.com.co; ymas.com.co; ymas.com.do; ymas.com.do;
 7 ymas.com.ec; ymas.com.ec; ymas.com.es; ymas.com.es; ymas.com.gt;
 8 ymas.com.gt; ymas.com.hn; ymas.com.hn; ymas.com.mx; ymas.com.ni;
 9 ymas.com.ni; ymas.com.pe; ymas.com.pe; ymas.com.pr; ymas.com.pr;
 10 ymas.com.pt; ymas.com.uy; ymas.com.uy; ymas.com.ve; ymas.com.ve;
 11 ymas.cr; ymas.cr; ymas.do; ymas.do; ymas.ec; ymas.ec; ymas.es;
 12 ymas.es; ymas.org; ymas.pe; ymas.pe; ymas.pt; ymas.us; ymas.us;
 13 ymas.uy; ymas.uy; and ymas.uy.com (collectively, the "Surrendered
 14 Domain Names"), and all rights and privileges associated therewith.

15 **OTHER BACKPAGE SURRENDERED ASSETS**

16 ooo. \$699,940.00 surrendered on or about April 6, 2018, from ING
 17 Bank account '7684, ("ING '7684 Funds"), held in the name of Payment
 18 Solutions BV.

19 ppp. \$106,988.41 surrendered on or about April 6, 2018, from ING
 20 Bank account '2071 ("ING '2071 Funds"), held in the name of Payment
 21 Solutions BV.

22 qq. \$499,910.01 surrendered on or about April 6, 2018, from US
 23 Bank account '0239 ("US Bank '2039 Funds"), held in the name of
 24 Affordable Bail Bonds LLC.

25 rrr. \$50,000.00 surrendered on or about April 6, 2018, from
 26 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
 27 the name of Global Trading Solutions LLC.

28 sss. \$1,876.36 surrendered on or about August 23, 2018, from ING

1 Bank account '2071 ("ING '2071 Funds"), held in the name of Payment
2 Solutions BV.

3 ttt. \$50,357.35 surrendered on or about August 24, 2018, from
4 ING Bank account '7684 ("ING '7684 Funds"), held in the name of
5 Payment Solutions BV.

6 uuu. \$248,970.00 surrendered on or about May 11, 2018, from
7 Citibank NA, account '0457 ("Citibank NA '0457 Funds"), held in the
8 name of Paul Hastings LLP.

9 vvv. \$52,500.00 surrendered on or about June 25, 2018, from
10 www. Enterprise Bank and Trust account '7177 ("EBT '7177
11 Funds"), held in the name of Global Trading Solutions LLC.

12 xxx. \$65,000.00 surrendered on or about July 18, 2018, from
13 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
14 the name of Global Trading Solutions LLC.

15 yyy. \$5,534.54 surrendered on or about August 9, 2018, from
16 Enterprise Bank and Trust account '7177 ("EBT '7177 Funds"), held in
17 the name of Global Trading Solutions LLC.

18 zzz. \$40,000.00 surrendered on or about July 16, 2018, from
19 Crypto Capital

20 aaaa. 6 Bitcoins surrendered on or about April 6, 2018, from
21 a Backpage controlled wallet;

22 bbbb. 199.99995716 Bitcoins surrendered on or about April 6,
23 2018, from a Backpage controlled wallet;

24 cccc. 404.99984122 Bitcoins surrendered on or about April 6,
25 2018, from a Backpage controlled wallet;

26 dddd. 173.97319 Bitcoins surrendered on or about April 26,
27 2018, from a Backpage controlled wallet;

28 eeee. 411.00019 Bitcoins surrendered on or about April 13,

1 2018, from a Backpage controlled wallet;
 2 ffff. 2.00069333 Bitcoins surrendered on or about May 7,
 3 2018, from a Backpage controlled wallet;
 4 gggg. 136.6544695 Bitcoins surrendered on or about June 15,
 5 2018, from a Backpage controlled wallet;
 6 hhhh. 2,673.59306905 Bitcoins Cash surrendered on or about
 7 April 26, 2018, from a Backpage controlled wallet;
 8 iiii. 55.5 Bitcoins Cash surrendered on or about May 3,
 9 2018, from a Backpage controlled wallet;
 10 jjjj. 73.62522241 Bitcoins Cash surrendered on or about June
 11 15, 2018, from a Backpage controlled wallet;
 12 kkkk. 16,310.79413202 Litecoins surrendered on or about
 13 April 26, 2018, from a Backpage controlled wallet;
 14 llll. 783.9735116 Litecoins surrendered on or about June 15,
 15 2018, from a Backpage controlled wallet;
 16 mmmm. 509.81904619 Bitcoins Gold surrendered on or about
 17 June 21, 2018, from a Backpage controlled wallet; and
 18 nnnn. \$3,713,121.03 surrendered on or about August 13, 2018,
 19 from Bank of America account '3414, held in the name of Davis Wright
 20 Tremaine, LLP.

NATURE OF THE ACTION AND CLAIMS FOR RELIEF

22 5. This is a civil action *in rem* to forfeit assets derived
 23 from or traceable to proceeds of one or more crimes defined as
 24 "specified unlawful activity" ("SUA"); and/or involved in one or more
 25 conspiracies to launder money, internationally launder money for
 26 promotion of one or more SUA, and/or financial transactions involving
 27 illicit proceeds. The property sought for forfeiture is located in
 28 the United States and abroad, including the Country of Hungary, the

1 Czech Republic, the Principality of Liechtenstein, and the Kingdom of
2 the Netherlands.

3 6. The Subject Assets, including the Defendant Asset,
4 represent property derived from or traceable to proceeds to multiple
5 knowing violations of federal laws constituting SUA, including 18
6 U.S.C. §§ 1591 (Sex Trafficking of Children) and 1952 (Interstate and
7 Foreign Travel in Aid of Racketeering Enterprise). The Defendant
8 Asset is therefore subject to forfeiture pursuant to 18 U.S.C. §
9 981(a)(1)(C).

10 7. Further, the Subject Assets, including the Defendant Asset,
11 represent property involved in or traceable to one or more
12 transactions or attempted transactions in violation of:

13 a. 18 U.S.C. § 1956(a)(1)(B)(i) (Money Laundering for
14 Concealment) and a conspiracy to commit such offenses, in violation
15 of 18 U.S.C. § 1956(h);

16 b. 18 U.S.C. § 1956(a)(2) (International Money Laundering for
17 Promotion) and a conspiracy to commit such offenses, in violation of
18 18 U.S.C. § 1956(h); and

19 c. 18 U.S.C. § 1957 (Monetary Transactions with Proceeds of
20 SUA) and a conspiracy to commit such offenses, in violation of 18
21 U.S.C. § 1956(h).

22 The Defendant Asset is therefore subject to forfeiture pursuant to 18
23 U.S.C. § 981(a)(1)(A).

24 **JURISDICTION AND VENUE**

25 8. This civil forfeiture action is brought pursuant to 18
26 U.S.C. § 981(a)(1).

27 9. This Court has jurisdiction over this matter pursuant to 28
28 U.S.C. §§ 1345 and 1355.

1 10. Venue lies in this district pursuant to 28 U.S.C. §§
2 1355(b)(1)(A) or 1355(b)(2) because acts and omissions giving rise to
3 the forfeiture took place in the Central District of California
4 and/or 28 U.S.C. § 1395(b), because certain of the Subject Assets are
5 located in the Central District of California.

6 **INDIVIDUALS AND ENTITIES**

7 11. Backpage.com, LLC, ("Backpage") incorporated in Delaware in
8 2004, was an internet-based company that allowed customers to post
9 on-line classified advertisements. These advertisements were posted
10 in a variety of categories, including adult, automotive, community,
11 dating, jobs, local places, musicians, rentals and services. Prior
12 to its closure by federal law enforcement authorities in April 2018,
13 Backpage was visited by 75 to 100 million unique internet visitors
14 per month.

15 12. Between 2004 and April 2018, Backpage realized annual
16 profits of tens of millions of dollars from adult advertisements.
17 Historically, the adult category, where Backpage advertisers posted
18 sex trafficking ads, made up less than ten percent of all the
19 website's advertisements. However, those ads generated more than 90
20 percent of Backpage's revenue.

21 13. Lacey was a co-creator of Backpage.com who was responsible
22 for the website's policies and strategic direction. Lacey maintained
23 significant control over the website during the relevant period
24 described in this complaint, and continued to receive tens of
25 millions of dollars in Backpage-related distributions even after
26 purportedly selling his interest in Backpage in 2015.

27 14. Larkin was a co-creator of Backpage.com who was responsible
28 for the website's policies and strategic direction. Larkin

1 maintained significant control over the website during the relevant
2 period described in this complaint, and continued to receive tens of
3 millions of dollars in Backpage-related distributions even after
4 purportedly selling his interest in Backpage in 2015.

5 15. Carl Ferrer ("Ferrer"), though not an original owner, was a
6 co-creator and one of the original officers of Backpage, having
7 initially served as Backpage's vice-president, and later as CEO.
8 Ferrer is also the CEO of several Backpage-related entities in the
9 Netherlands, including "Website Technologies," "Amstel River
10 Holdings," and "Ad Tech BV."

11 16. John "Jed" Brunst ("Brunst") was a minority owner of
12 Backpage who owned 5.67 percent of the company at the time of its
13 inception. Brunst served as the Chief Financial Officer of Backpage
14 and several of Backpage's parent companies.

15 17. Spear was a minority owner of Backpage who owned 4.09
16 percent of the company at the time of its inception. Spear served as
17 Executive Vice President of one of Backpage's parent companies.

18 18. "M.G." had no formal position at Backpage, but was the
19 President, Chief Executive Officer, Treasurer, and Secretary of
20 Posting Solutions LLC, a wholly owned Backpage subsidiary with a
21 principal place of business in Dallas, Texas ("Posting Solutions"),
22 which accepted payments from Backpage advertisers. M.G. was also the
23 Chief Financial Officer of Website Technologies, and directed and
24 controlled many of the international and domestic financial
25 transactions of Backpage and its related entities.

26 19. Daniel Hyer ("Hyer") served as Backpage's Sales and
27 Marketing Director. He remained an account signatory for numerous
28 Backpage-controlled entities, including Website Technologies, until

1 Backpage's closure.

2 20. Andrew Padilla ("Padilla") served as Backpage's Operations
3 Manager.

4 21. Joye Vaught ("Vaught") served as Backpage's assistant
5 Operations Manager.

6 22. Lacey, Larkin, Ferrer, Brunst, Spear, M.G., Hyer, Padilla,
7 and Vaught are referred to collectively herein as "Backpage
8 Operators."

9 **EVIDENCE SUPPORTING FORFEITURE**

10 **I. The Formation and Evolution of Backpage**

11 23. Lacey and Larkin were the founders of the *Phoenix New*
12 *Times*, an alternative newspaper based in Arizona. Lacey and Larkin
13 subsequently acquired several other alternative newspapers that they
14 operated through an entity called Village Voice Media Holdings
15 ("VVMH"). Spear served as VVMH's Executive Vice President and Brunst
16 served as VVMH's Chief Financial Officer.

17 24. As far back as the 1980's, VVMH publications routinely
18 included ads for prostitution.

19 25. By 2000, the popularity of the website www.craigslist.com
20 ("Craigslist"), which offered free classified ads that included
21 prostitution ads, began to disrupt VVMH's business, which depended on
22 classified advertising revenue.

23 26. Lacey and Larkin, assisted by Ferrer, sought to address
24 this disruption by creating Backpage, which would compete directly
25 with Craigslist. As stated in an internal Backpage document, "[I]n
26 2004, in response to the Craigslist threat that was decimating daily
27 newspapers, VVMH launched its own online classified site,
28 Backpage.com, named after the back page of VVMH's print publication."

1 27. From 2004 until 2015, Lacey and Larkin bore primary
2 responsibility for Backpage's policies and strategic direction. In
3 2015, Lacey and Larkin purported to sell to Ferrer all or
4 substantially all of their respective interests in Backpage. In
5 fact, Lacey and Larkin retained significant control over Backpage,
6 and both continued to receive millions of dollars of annual
7 distributions of Backpage revenue after the purported sale.

8 28. From its inception, most of Backpage's earnings represented
9 the proceeds of illegal activity, specifically prostitution and sex
10 trafficking, including child sex trafficking. By 2015, the major
11 credit card companies were refusing to process payments to or for
12 Backpage, and banks were closing Backpage's accounts out of concern
13 the accounts were being used for illegal purposes.

14 29. In response to these measures, the Backpage Operators
15 initiated and pursued a wide variety of money laundering strategies
16 and techniques designed, in part, to conceal the source and location
17 of the revenues generated by Backpage ads, including ads for human
18 trafficking and illegal prostitution. These strategies included (a)
19 instructing customers to send checks and money orders to a Post
20 Office box, funneling those funds into bank accounts held in the
21 names of entities with no apparent connection to Backpage, and then
22 giving customers a corresponding "credit" to purchase Backpage ads;
23 (b) accepting Backpage proceeds through foreign bank accounts and
24 thereafter redirecting the funds to Backpage Operators in the U.S.
25 and abroad, or transferring the funds back to domestic bank accounts
26 (to conceal the nature, source, location, ownership and control of
27 those funds and promote Backpage's ongoing illegal operations); and
28 (c) converting customers payments and the proceeds of Backpage's

1 illegal business into and out of digital currency.⁷

2 **II. The Sources and Manipulation of Backpage Criminal Proceeds**

3 **A. Backpage Promotion of Prostitution and Sex Trafficking**

4 30. Numerous Backpage ads were used to sell minors for sex and
5 forcibly traffic adult women for sex. Among the pimps and sex
6 traffickers who used Backpage to advertise their victims were many
7 who were later convicted of sex trafficking offenses. For example,

8 a. During 2014 and 2015, a pimp sold S.F., a minor girl, for
9 sex. The pimp advertised S.F. on Backpage's "Escort" section in the
10 Los Angeles area of California and in Arizona. The ad contained
11 phrases such as "New In Town" and "Sexy Dark Asian Bombshell with a
12 Nice & Tight {Booty}." The ad selling S.F. on Backpage included
13 multiple pictures showing her legs, stomach, shoulders and buttocks.
14 The pimp who placed the ad was ultimately arrested, convicted on
15 state sex trafficking charges, and sentenced to 196 years
16 imprisonment.

17 b. During 2014 and 2015, the same pimp sold A.C., a minor
18 girl, for sex. In November 2014, at the age of 17, A.C. was first
19 sold for sex through a Backpage ad using phrases such as "NEW IN
20 TOWN," "sexy sweet," and "sweet like honey but super hot like fire."
21 The Backpage ad selling A.C. included pictures of her showing her
22 legs, stomach, shoulder, and buttocks, and posed in sexually
23 provocative positions.

24
25 ⁷ Digital currency (also known as crypto-currency) is generally
26 defined as an electronic-sourced unit of value that can be used as a
27 substitute for fiat currency (i.e., currency created and regulated by
28 a sovereign government). It exists entirely on the Internet and is
not stored in any physical form. It is not issued by any government,
bank, or company, but is instead generated and controlled through
computer software operating on a decentralized peer-to-peer network.
Bitcoins, Bitcoins Cash and Litecoin are types of crypto-currency.

1 c. Between November and December 2015, a pimp drove two women
2 and four minor girls (T.S., S.L., K.O., and R.W.) from Columbus, Ohio
3 to a hotel in St. Charles, Missouri. The next day, the pimp told the
4 girls to post ads on Backpage.com. Some of the girls took calls and
5 engaged in paid sex acts with Backpage customers who responded to the
6 ads. The ads the girls posted included pictures of them on a bed
7 showing their buttocks. Another image featured a naked girl's body
8 pressed against a mirror. Other pictures appeared more mundane, such
9 as images of girls posing clothed in front of a mirror. However,
10 these ads used phrases like "I'm sweet as a treat maybe even sweeter"
11 and "not a lot need to be said. my pic are 100% real." In 2017, this
12 pimp was convicted of Federal sex trafficking charges and sentenced
13 to 300 months in prison.

14 d. In or around 2010, in Washington, J.S., a minor girl, was
15 sold for sex through the use of Backpage ads. J.S.'s pimp drafted
16 the ads, which contained words and phrases such as,
17 "W'E'L'L_W'O'R'T'H_I'T***^***150HR" and "IT WONT TAKE LONG AT ALL."
18 The ads included pictures of J.S. in provocative positions showing
19 her breasts and buttocks. On March 29, 2011, the pimp who sold J.S.
20 for sex was sentenced to over 26 years imprisonment on Federal
21 charges related to sex trafficking.

22 e. Between 2011 and 2016, a female victim, D.O., who was
23 between the ages of 14 and 19 during those years, was sold for sex
24 through Backpage ads. D.O.'s female pimp instructed D.O. that
25 Backpage was the safest place to advertise because Backpage did not
26 require age verification. D.O.'s Backpage ads included words and
27 phrases that were indicative of prostitution, such as "roses" (money)
28 and "back door" (anal sex). Some of the customers who responded to

1 D.O.'s Backpage ads forced D.O. to perform sexual acts at gunpoint,
2 choked her to the point of having seizures, and gang-raped her.

3 31. Plaintiff alleges that all levels of Backpage management,
4 including the Backpage Operators, were aware of Backpage's role in
5 promoting criminal activity. For example:

6 a. On September 21, 2010, a group of state attorneys general
7 ("AG") wrote a letter to Backpage observing that "ads for
8 prostitution-including ads trafficking children-are rampant on the
9 site," and arguing that "[b]ecause Backpage cannot, or will not,
10 adequately screen these ads, it should stop accepting them
11 altogether." The state AGs acknowledged that this step would cause
12 Backpage to, "lose the considerable revenue generated by the adult
13 services ads," but stated that "no amount of money can justify the
14 scourge of illegal prostitution, and the misery of the women and
15 children who will continue to be victimized in the marketplace
16 provided by Backpage."

17 b. Also in mid-September 2010, Ferrer wrote an email
18 explaining that Backpage was unwilling to delete ads that included
19 terms indicative of prostitution because doing so would "piss[] off a
20 lot of users who will migrate elsewhere," and force Backpage to
21 refund those customers' fees.

22 c. In January 2017, the U.S. Senate Subcommittee on Permanent
23 Investigations ("Subcommittee") conducted a lengthy investigation
24 into sex trafficking and Backpage, resulting in a 50-page report
25 entitled "Backpage.com's Knowing Facilitation of Online Sex
26 Trafficking." The report concluded, among other things, that
27 virtually all of Backpage's "adult" ads were actually solicitations
28 for illegal prostitution services and that "Backpage [] maintained a

1 practice of altering ads before publication by deleting words,
2 phrases, and images indicative of criminality, including child sex
3 trafficking Those practices served to sanitize the content
4 of innumerable advertisements for illegal transactions-even as
5 Backpage represented to the public and the courts that it merely
6 hosted content others had created." In response to the
7 Subcommittee's report, Backpage purported to shut down the "adult"
8 section of its website. However, a review of several thousand
9 Backpage ads demonstrated that the prostitution ads simply migrated
10 to other sections of the website, where they remained accessible
11 until the site was forced to shut down.

12 d. On August 5, 2011, Backpage received a letter from the
13 mayor of Seattle. This letter warned, "Seattle Police have
14 identified an alarming number of juvenile prostitutes advertised on
15 Backpage.com since January 2010," and explained that Backpage was
16 dissimilar from other companies whose products and services are
17 "occasionally or incidentally" utilized by criminals because "[y]our
18 company is in the business of selling sex ads" and "your services are
19 a direct vehicle for prostitution." The letter recommended that
20 Backpage require in-person age verification for all of the "escorts"
21 depicted in its ads. Backpage never instituted an in-person age
22 verification requirement.

23 32. Backpage instituted and maintained policies and procedures
24 designed to cultivate and sustain its promotion of sex trafficking
25 and prostitution, but which "sanitized" some of the language Backpage
26 customers used to advertise in order to make the advertising of sex
27 trafficking less overt. Backpage referred to this practice as
28 "moderation." For example:

1 a. In April 2008, Ferrer wrote an email explaining that,
2 although he (Ferrer) was "under pressure to clean up Phoenix's adult
3 content," he was unwilling to delete prostitution ads because doing
4 so "would put us in a very uncompetitive position with craig[slist]"
5 and result in "lost pageviews and revenue." Ferrer instructed
6 Backpage's technical staff to edit the wording of such ads by
7 removing particular terms that were indicative of prostitution, but
8 allow the remainder of the ad to be featured on Backpage's website.

9 b. On October 8, 2010, a Backpage manager sent an email to
10 certain Backpage employees and managers threatening to fire any
11 Backpage employee who acknowledged, in writing, that a customer was
12 advertising prostitution: "Leaving notes on our site that imply that
13 we're aware of prostitution, or in any position to define it, is
14 enough to lose your job over. . . . This isn't open for discussion.
15 If you don't agree with what I'm saying completely, you need to find
16 another job."

17 c. On October 16, 2010, the same Backpage manager sent an
18 email to a large group of Backpage employees that contained two
19 attachments providing guidance on how to "moderate" ads. The first
20 was a PowerPoint presentation that displayed a series of 38 nude and
21 partially-nude photographs, some of which depicted graphic sex acts.
22 Next to each picture was an instruction as to whether it should be
23 approved or disapproved by a Backpage moderator. These instructions
24 included "Approve. Nude rear shots are okay as long the model is not
25 exposing her anus or genitalia." and "Approve. Rear shot okay.
26 Transparent wet panties okay." The second attachment was an Excel
27 spreadsheet identifying 50 terms (all of which were indicative of
28 prostitution) that should be "stripped" from ads before publication.

1 The Backpage manager concluded the email by stating, "[I]t's the
2 language in ads that's really killing us with the Attorneys General.
3 Images are almost an afterthought to them."

4 d. On October 16, 2010, the same Backpage manager sent an
5 internal email explaining, "I'd like to still avoid Deleting ads when
6 possible;" "we're still allowing phrases with nuance;" and "[i]n the
7 case of lesser violations, editing should be sufficient."

8 e. On October 25, 2010, Ferrer sent an email to Padilla
9 acknowledging that the "[i]llegal content removed" through Backpage's
10 moderation processes was "usually money for sex act." This email
11 also explained that, after the "sex act pics are removed," the "ad
12 text may stay."

13 f. On October 27, 2010, a different Backpage manager sent an
14 internal email stating that Backpage was "editing 70 to 80%" of the
15 ads it received from customers.

16 g. On June 7, 2011, Ferrer received an inquiry from a law
17 enforcement official about a particular ad that included the term
18 "amber alert." In response, Ferrer acknowledged this might be "some
19 kind of bizarre new code word for an under aged person." Ferrer then
20 forwarded this exchange to a Backpage manager and instructed that the
21 term "amber alert" be added to Backpage's "strip out" list.

22 h. On August 31, 2011, Backpage managers exchanged emails in
23 which they discussed a list of 100 "solid sex for money terms."
24 Later emails indicate that this list of terms changed but, in
25 general, the list prohibited use of certain terms that Backpage
26 management and employees closely identified with the obvious
27 promotion of sex trafficking and prostitution.

28 i. One Backpage manager acknowledged in the August 31, 2011

1 email exchange that a large proportion of the ads originally
2 submitted by Backpage's customers contained text and pictures that
3 were indicative of sex trafficking. Nevertheless, Backpage published
4 those ads after editing them to appear less obvious in promoting
5 illegal activity. Backpage sex trafficking ads adapted to Backpage's
6 moderation policy by using "phrases with nuance" when promoting sex
7 trafficking. Following the implementation of "moderation,"
8 Backpage's list of prohibited terms changed and evolved over time to
9 adjust to Backpage advertisers' use of new code words to promote
10 prostitution. In other words, once a code word or phrase not
11 previously associated with sex-for-money became too familiar, or was
12 deemed too closely associated with certain sex trafficking activities
13 in the Backpage community of advertisers, Backpage's "moderation"
14 policy would be adapted by adding such words or phrases to the
15 "blocked" list or risk being too obvious in its promotion.

16 33. Plaintiff alleges that Backpage's policy of "moderation"
17 only caused ads explicitly promoting sex trafficking to become more
18 coded and implicit in the ads' purpose.

19 a. Well over half of the Backpage classified ads in various
20 Backpage categories used terms and phrases (including "massage,"
21 "dating," "escort" and others) that are consistent with sex
22 trafficking and prostitution. These terms and phrases included,
23 "roses" (money, e.g., "150 roses/half hour"), "in-call" (where the
24 customer goes to the prostitute's location), "outcall" (where the
25 prostitute goes to the customer's location), "GFE" (girlfriend
26 experience), and "PSE" (porn star experience).

27 b. Other Backpage ads used language that was mostly free of
28 coded language, but included sexually provocative images. The

1 sexually suggestive images included in these ads were typical of ads
2 for prostitution. For example, one such ad posted in Backpage's Los
3 Angeles dating section depicted images of a woman on a bed with her
4 buttocks presented in a sexual manner; another included a picture of
5 a woman's cleavage; others included pictures of women posing in
6 sexual positions wearing lingerie and pictures of a woman bending
7 over, revealing her naked buttocks.

8 c. Backpage's policy of moderation had the effect of causing
9 and allowing otherwise neutral or innocuous terms to be understood
10 within the Backpage community as coded language for sex trafficking
11 and prostitution. Because of the evolving use of coded terms, a
12 reader of such ads who was familiar with the particular vocabulary
13 used in Backpage "adult" ads could readily identify coded terms and
14 images indicating an ad for prostitution, while an uninitiated reader
15 may not understand these terms at all, or at least not as being
16 associated with sex-for-money.

17 34. Almost all "adult"-type Backpage ads listed phone numbers
18 or emails that a potential customer could use to make contact with
19 the advertiser. Comparing a sample of phone numbers and emails found
20 within Backpage ads with phone numbers and emails that were
21 frequently included in the memo sections of checks that Backpage
22 advertisers use to pay Backpage for ads, revealed that the same
23 numbers and/or email addresses appeared in multiple Backpage ads as
24 contact information. For example:

25 a. A \$25 USPS Money Order purchased on June 15, 2017, in
26 Duarte, California, made payable to "Posting Solutions PO BOX 802426,
27 Dallas, TX," and thereafter deposited into Account 1, bore a notation
28 listing a phone number and the words "Dulce Latina." A search of

1 Backpage ads showed almost 800 advertisements listing the same phone
2 number.

3 b. A \$20 USPS Money Order purchased in Sacramento, California,
4 and later deposited into Account 1 bore a notation listing a phone
5 number and the words "love my lips." A search of Backpage ads
6 revealed almost 1300 advertisements listing the same phone number.

7 c. A \$150 Wells Fargo Bank Money Order, purchased in Arizona,
8 and made payable to "Posting Solutions," bore an email address and
9 the words, "red hot stuff." The same email address was found to be
10 associated with advertisements on several female escort websites that
11 directed customers to contact an Arizona phone number ending in 2397.
12 A search of Backpage.com for this phone number revealed approximately
13 760 ads that included this phone number. These Backpage ads included
14 images indicative of prostitution. For example, one such ad posted
15 on Backpage's "massage" section included sexual images such as a
16 woman lying on a bed wearing lingerie and a woman laying naked on her
17 stomach. One of the ads described, "Pampering provider | Body Rub
18 Massage | Body Shampoo | Body Scrub | 4 hands | Walk ins or
19 appointment." Legal massage advertisements do not typically depict
20 sexual images. This advertisement depicted sexual images and
21 included terms like "4 hands," which is coded language describing a
22 massage given to a customer by two women. Such advertisements are
23 indicative of prostitution.

24 35. The Backpage ads that shared the same phone number or email
25 address typically also included sexually suggestive images of
26 different women. Such ads are consistent with ads posted by pimps or
27 prostitution agencies that are using the same phone number or email
28 to advertise different women (or girls) to prospective prostitution

1 clients.

2 **B. Payments for Advertising on Backpage**

3 36. In order to post an ad on Backpage, an advertiser had to
4 pay Backpage by one of several methods, including check, cash, and,
5 until about 2015, credit card payments processed through U.S. credit
6 card payment processors. The proceeds from these ads, the vast
7 majority of which were sexually explicit in nature, would then be
8 deposited into various Backpage owned or controlled bank accounts.
9 For example, Backpage's U.S. Bank account '1165, originated in or
10 about April 2010, received several million dollars from the revenue
11 generated from the sale of ads, including ads promoting the
12 trafficking of minors and illegal prostitution.

13 37. However, in or around 2015, following negative publicity
14 associated with Backpage, some of the major credit card companies
15 enacted what Backpage Operators termed a "blockade." Essentially,
16 these companies refused to process credit card payments directed to
17 Backpage. In order to circumvent the blockade, Ferrer and other
18 Backpage Operators set up agreements with foreign persons and
19 partners to "franchise" websites for the sole purpose of accepting
20 credit card payments outside of the United States, with the funds
21 being funneled to Backpage.

22 38. Also in or around 2015, in response to the blockade,
23 Backpage designed a mechanism to allow advertisers to buy Backpage
24 "credits," which could be accomplished in several ways, including:

25 a. mailing gift cards, checks, or money orders to "Posting
26 Solutions" at a P.O. Box in Dallas, Texas;

27 b. using a credit card to buy credits through a third-party
28 credit card payment processor;

1 c. paying with digital currency (specifically, Backpage
2 accepted Bitcoins, Bitcoins Cash, Litecoin, and Ethereum). If the
3 advertiser selected this option, Backpage provided a digital currency
4 wallet address where the advertiser could send the electronic
5 transfer of the digital currency; and

6 d. paying with currency through a third party payment
7 processor. Once the third-party payment processor received the
8 currency, it would convert it to digital currency and then
9 electronically transfer that digital currency to a Backpage digital
10 currency wallet.

11 39. Digital Currency was processed through the subject accounts
12 in the following way:

13 a. When Backpage received digital currency, it would aggregate
14 the digital currency and then transfer it to a third-party exchanger
15 like GoCoin;⁸

16 b. In exchange for the digital currency, the exchanger would
17 transfer U.S. dollars from its foreign bank account(s) into Backpage
18 operating accounts in the United States or elsewhere. The exchanger
19 could then sell its Bitcoins on various Bitcoins markets.

20 40. Bitcoins payments for ads have resulted in the trafficking
21 of minors for sex. For example:

22 a. On September 6, 2015, a Bitcoins account associated with
23 the owner of the email address later convicted of having trafficked
24 minors for sex paid Backpage about \$4 worth of Bitcoins in order to
25

26 ⁸ GoCoin is a digital currency exchanger that converts Bitcoins
27 and another digital currency into fiat currency, like the U.S. Dollar
28 or the Euro. GoCoin is owned by Manx Broadcasting Corporation, based
in the Isle of Man. GoCoin has offices in Singapore and Santa
Monica, California, and GoCoin holds bank accounts in several
countries, most or all of which are outside the United States.

1 post an ad promoting the trafficking of certain victims in Palm
2 Springs, California.

3 b. On September 15, 2015, an email from the same email address
4 owner indicated a payment to Backpage of about \$8 worth of Bitcoins
5 in order to "Fund Account"⁹ for palmsprings.backpage.com.

6 c. On October 6, 2015, the same email address owner paid
7 Backpage about \$1 worth of Bitcoins to "Fund Account" on
8 palmsprings.backpage.com.

9 d. On October 30, 2015, a Bitcoins account associated with the
10 owner of the email address who trafficked minors for sex paid
11 Backpage about \$1 worth of Bitcoins in order to post an ad promoting
12 the trafficking of certain victims in Columbus, Ohio.

13 e. On November 2, 2015, this same email address owner paid
14 Backpage about \$1 worth of Bitcoins to "Move Ad to Top of Listings"
15 in the Columbus, Ohio Backpage ads.

16 f. On November 21, 2015, this same email address owner paid
17 Backpage about \$1 worth of Bitcoins to Backpage for credit for that
18 email owner's Backpage ad account.

19 41. Plaintiff contends that five to ten percent of the ads
20 posted on Backpage.com were placed within the Central District of
21 California (including Los Angeles and Orange Counties). Between
22 January 10 and February 3, 2016, approximately 500,000 ads were
23 posted on Backpage.com and paid for with Bitcoins, for which Backpage
24 received over \$3,840,000 in revenue. Of these approximately 500,000
25 ads, approximately 28,400 were posted only in
26 LosAngeles.Backpage.com, Ventura.Backpage.com,

27 ⁹ The email address owner provided Bitcoins to Backpage as a
28 "Fund Account" payment, that is, payment to Backpage as credit to be
used later to pay for Backpage ads.

1 SanLuisObispo.Backpage.com, OrangeCounty.Backpage.com, and
2 SanGabrielValley.Backpage.com. These specific ads generated
3 approximately \$184,479 in revenue.

4 42. When an advertiser (or "poster") purchased an ad for
5 prostitution using digital currency, the payment to Backpage (and
6 certain subsequent expenditures) proceeded in the following manner:

7 a. A poster would choose a payment method online (e.g.,
8 through Bitcoins payments);

9 b. If the poster did not already have Bitcoins, the Backpage
10 website would direct the poster to a third-party exchanger to buy
11 Bitcoins;

12 c. Backpage would then provide the poster with a wallet
13 address to send a specific amount of Bitcoins;

14 d. In return for sending the required payment, the poster
15 would receive credit that could be used to post ads on Backpage.

16 e. Backpage would sell the Bitcoins to a third party
17 exchanger, frequently GoCoin, in batches, generally valued in
18 hundreds of thousands, of dollars in order to convert the Bitcoins
19 into U.S. or foreign fiat currency, which GoCoin generally, if not
20 always, would hold in foreign bank accounts;

21 f. GoCoin would then wire funds from foreign accounts to
22 either (1) Backpage controlled foreign accounts; or (2) Backpage
23 controlled operating accounts in the United States;

24 g. These accounts were held and controlled by Backpage
25 Operators in the names of entities controlled by Backpage, including
26 Ad Tech BV, Posting Solutions, Website Technologies, and Cereus
27 Properties.

28 h. The funds derived from these foreign transactions would be

1 used by Backpage to pay service providers, like Verizon in Los
2 Angeles, or transferred to Backpage Operators' accounts and accounts
3 held in their family members' names.

4 i. For example:

5 a. In March 2015, Ad Tech BV, a Netherlands based
6 company, listing Ferrer as CEO and M.G. as CFO, opened a bank account
7 in the Liechtenstein (the "Netherlands Account"). M.G. is the
8 President, CEO, Treasurer and Secretary of Posting Solutions. From
9 March 2015 through November 2017, the Netherlands Account received
10 millions of dollars from Binary Trading SG PTE, Limited ("Binary
11 Trading"). On April 4, 2017, M.G. sent an email to employees of the
12 bank that maintains the Netherlands Account. The email explained:

13 Binary Capital is our trading partner, they hold money in
14 trust for Go Coin [sic]. Rather than incurring 3 sets of
15 wire fees which make our transactions unprofitable, they
16 act as our agent and disburse payments directly from our
17 trust account to our merchant.

18 b. For the period of September 4 through November 23,
19 2015, Backpage advertisers used Bitcoins to purchase about 1,000,000
20 "adult" ads from Backpage. Backpage then sold those Bitcoins to
21 GoCoin for approximately \$8.6 million. Included among the Bitcoins
22 sold to GoCoin during this period were payments pimps made to
23 Backpage to purchase ads to promote child prostitution.

24 c. For the period of December 14, 2015, through August
25 30, 2016, in approximately 154 wires, GoCoin accounts held in
26 Slovakia (the "Slovakia Account") and Singapore Account (the
27 "Singapore Account") transferred a total of approximately
28 \$26,100,235.83 to Branch Banking & Trust account '2008, in Plano,
Texas, owned by Website Technology ("Website Tech Account '2008").

1 On January 15, 2016, the Website Tech Account '2008 transferred
2 \$189,571 to Verizon in Los Angeles, California, in payment for
3 Backpage internet services.

4 d. Between January 21 and August 31, 2016, Website Tech
5 Account '2008 sent approximately 27 wire transfers totaling
6 approximately \$48,000,000 to Arizona Bank & Trust account number
7 '6211, belonging to Cereus Properties LLC, which is owned or
8 controlled by Spear, Backpage, and/or other Backpage Operators.

9 **C. Bases for Forfeiture**

10 43. The Defendant Asset constitutes, and is derived from,
11 proceeds traceable to one or more violations of: (1) 18 U.S.C. § 1591
12 (Sex Trafficking of Children); and/or (2) U.S.C. § and 1952
13 (Interstate and Foreign Travel in Aid of Racketeering Enterprise),
14 each of which is SUA under 18 U.S.C. § 1956(c)(7)(A), and a
15 conspiracy to commit such offenses.

16 44. The Defendant Asset was involved in, and is traceable to
17 property involved in, one or more transactions or attempted
18 transactions in violation of 18 U.S.C. § 1956(a)(1)(B)(i) and a
19 conspiracy to commit such offenses, in violation of 18 U.S.C.
20 § 1956(h). Specifically, the Defendant Asset was involved in and is
21 traceable to property involved in one or more financial transactions,
22 attempted transactions, or a conspiracy to conduct or attempt to
23 conduct such transactions involving the proceeds of specified
24 unlawful activity, that is, 18 U.S.C. §§ 1591 and 1952, and was
25 designed in whole or in part to conceal or disguise the nature,
26 location, source, ownership or control of the proceeds of the SUA in
27 violation of 18 U.S.C. § 1956(a)(1)(B)(i).

28 45. The Defendant Asset was involved in, and is traceable to

1 property involved in, one or more transactions or attempted
2 transactions in violation of 18 U.S.C. § 1957, or a conspiracy to
3 commit such offenses, in violation of 18 U.S.C. § 1956(h).
4 Specifically, the Defendant Asset was involved in and is traceable to
5 property involved in one or more financial transactions, attempted
6 transactions, or a conspiracy to conduct or attempt to conduct such
7 transactions in criminally derived property of a value greater than
8 \$10,000 that was derived from SUA, that is, 18 U.S.C. §§ 1591 and
9 1952.

10 **III. Assets Representing, Traceable To, and Involved In**
11 **Specified Unlawful Activity**

12 **A. Account 1 (Prosperity '7188 Funds)**

13 46. On February 15, 2017, Posting Solutions opened Account 1.
14 M.G. is the sole signatory on the account (as described above,
15 Posting Solutions is wholly owned by and controlled by Backpage).

16 47. The application for the P.O. Box identifies the renter of
17 the box as "Website Technologies, LLC/Backpage.com." Listed on the
18 Application were the names of several Backpage Operators, including
19 Ferrer.

20 48. Between August 1 and September 1, 2017, Account 1 received
21 more than \$2,781,750 in wire transfers from foreign banks. For
22 example:

23 a. On or about August 16, 2017, Binary Trading wired \$535,500
24 from an account in Singapore into Account 1.

25 b. On or about August 17, 2017, Binary Trading wired \$528,500
26 from a Singapore account into Account 1.

27 c. On or about August 30, 2017, a company named Trilix PTE LTD
28 ("Trilix"), listing the same Singapore address as Binary Trading and

1 GoCoin, sent four wire transfers from the Singapore account into
2 Account 1, ranging from \$385,450 to \$492,250, totaling approximately
3 \$1,717,750.

4 49. Plaintiff alleges that a substantial percentage of outgoing
5 payments from Account 1 have been payments for the operation of
6 Backpage.com. For example, between July and October 2017, funds were
7 wired from Account 1, as following:

8 a. \$570,530 to Verizon Digital Media Services in Los Angeles
9 for services related to the Backpage.com website; and

10 b. \$1,497 to "Backupify," a company that provided data backup
11 services for Backpage.

12 **CEREUS PROPERTIES ASSETS**

13 **B. Account 2 (Compass `3873 Funds)**

14 50. Account 2 was held in the name of Cereus Properties LLC,
15 and Spear was the sole signatory. This account was funded in part
16 with transfers from Account 1, which funds are alleged to have been
17 traceable to SUA, involved in money laundering, or both, and was used
18 as a funnel account to pay Backpage Operators. On average, during
19 each month of 2017, several hundred thousand dollars were transferred
20 from Account 1 to Account 2. For example:

21 a. On August 31, 2017, Account 1 sent a wire transfer totaling
22 \$487,491.45 to Account 2.

23 b. On September 15, 2017, Account 1 sent a wire transfer
24 totaling \$91,672.67 to Account 2.

25 c. On October 2, 2017, Account 1 sent a wire transfer totaling
26 \$471,766 to Account 2.

27 51. Funds from Account 2 were also used to promote and
28 facilitate prostitution. For example:

1 a. On December 2, 2016, the Netherlands Account transferred
2 \$324,055.85 to Account 2;

3 b. On December 8, 2016, the Netherlands Account transferred
4 \$499,970.00 to Account 2;

5 c. On December 27, 2016, the Netherlands Account transferred
6 \$199,970.00 to Account 2; and

7 d. From March to December 2017, Account 2 paid over \$9,000 to
8 "Cox Communications," an internet services company that Backpage used
9 to facilitate its internet presence and promote its sale of
10 prostitution advertising.

11 **C. Account 3 (Compass '4862 Funds)**

12 52. Account 3, held in the name of Cereus Properties, was
13 funded with transfers from foreign and domestic banks, which funds
14 were traceable to SUA, involved in money laundering, or both,
15 including funds transferred from the Netherlands Account through one
16 of the Backpage Operators' go-between accounts¹⁰ (Wells Fargo Bank
17 account '9863 ("Account '9863")), and eventually funneled into
18 Account 3.

19 **MICHAEL LACEY ASSETS**

20 **D. Account 4 (FFS&L of SR '3620 Funds)**

21 53. Account 4, held in the name of Lacey, was funded with
22 transfers from foreign and domestic banks, which funds were traceable
23 to SUA, involved in money laundering, or both. On October 2, 2017,
24 Account 24 (which was itself funded with transfers from foreign and
25 domestic banks with proceeds traceable to SUA, involved in money
26

27 ¹⁰ A "go-between" (a.k.a., a "pass-through") is an account set up
28 for the main purpose of transferring funds from one or more bank
accounts to various other bank accounts, frequently as an attempt to
further conceal the true source and nature of the funds.

1 laundering, or both), transferred \$297,795 into Account 4, as further
2 described below.

3 **E. Accounts 5-10 (RBA '2485, '1897, '3126, '8316, '8324, and**
4 **'8332)**

5 54. Accounts 5, 6, and 7, each held in the name of Lacey, were
6 funded with transfers from foreign and domestic banks, which funds
7 were traceable to SUA, involved in money laundering, or both.
8 Backpage Operators used Accounts 5, 6, and 7 as pass-through
9 accounts.

10 a. On May 31, 2017, Account 2 transferred approximately
11 \$676,808.04 into Account 5;

12 b. On June 30, 2017, Account 5 transferred \$600,000 to Account
13 6.

14 c. On October 2, 2017, Account 2 made two transfers:

15 i. \$297,795.54 transferred to Account 4; and

16 ii. \$694,856.25 wired to Account 11

17 d. On April 16, 2018, Lacey personally went into the Republic
18 Bank of Arizona, withdrew \$500,000 from Account 5, and then used that
19 \$500,000 as the initial deposit to open Account 7.

20 e. On or about February 15, 2018, Lacey drafted two \$600,000
21 checks (totaling \$1.2 million). One check was drawn from Account 11,
22 and the second was drawn from Account 4. These two checks were used
23 to fund Accounts 8, 9, and 10, respectively, with \$600,000.00,
24 \$300,000.00, and \$300,000.00.

25 **F. Account 11 (SFFCU '2523 Funds)**

26 55. Account 11 is held in the name of Lacey and an individual
27 listed in the Credit Union's records as Lacey's employee and
28 bookkeeper. Account 11 was funded with proceeds alleged to have been

1 traceable to SUA, involved in money laundering, or both.

2 a. On February 2, 2018, Account 2 (which then contained funds
3 traceable to SUA, involved in money laundering, or both) transferred
4 \$734,602.70 into Account 11.

5 **G. Account 12 (IOLTA '4139)**

6 56. Account 12 was an IOLTA held for the benefit of Lacey, and
7 was funded with proceeds traceable to SUA, involved in money
8 laundering, or both.

9 57. On January 4, 2017, the Singapore Account wired \$489,500
10 into a Posting Solutions controlled account held at Veritex Bank (the
11 "Veritex Account"). On January 20, 2017, the Singapore Account
12 directed two additional wires, for \$358,150 and \$470,150
13 respectively, into the Veritex Account. In total, the Singapore
14 Account transferred \$1,317,800 into the Veritex Account.

15 a. On or about February 23, 2017, the Veritex Account directed
16 two payments to Account 2, a wire of \$443,014, and a check for
17 \$27,887.41.

18 b. Between March 30 and September 14, 2017, Account 2 sent
19 five wires totaling \$4,058,063.65 to Account 12.

20 c. In July 2018, Account 12 was closed and a cashier's check
21 totaling \$2,412,785.47 was issued to Lacey's Annuity Fund, held at
22 Account 12.

23 **H. The Sebastopol Property**

24 58. The Sebastopol Property was purchased and maintained, in
25 whole or in part, using funds traceable to SUA, involved in money
26 laundering, or both.

27 59. In a series of transactions in December 2016, illicit
28 proceeds from the Netherlands Account would pass-through Account 2,

1 eventually ending up in Account 11. Additionally, between July and
2 October 2017, additional illicit proceeds from the Singapore Account
3 were passed-through Account 1 to Account 2, and eventually
4 transferred to Account 11. On or about October 10, 2017, over
5 \$10,000 of funds from Account 11 were used to support and maintain
6 the Sebastopol Property.

7 60. On February 11, 2016, a grant deed, instrument number
8 2016010019 of the Sonoma County official records, transferred the
9 Sebastopol Property to Lacey. Thereafter, on April 24, 2017, for no
10 consideration, Lacey transferred title of the Sebastopol Property to
11 his Delaware limited liability company, Sebastopol, LLC. As noted in
12 the grant deed:

13 "There was no consideration for this transfer. This is a
14 transfer between an individual or individuals and a legal
15 entity or between legal entities that results solely in a
16 change in the method of holding title and in which
proportional ownership inters in the realty remain the
same. . ."

17 61. On October 10, 2017, Lacey issued a \$12,956.25 check from
18 Account 11 to Sonoma County Tax Collector. The notation on this wire
19 was "2043 Pleasant Hill Dr Sebastopol."

20 **I. San Francisco, California Property 1**

21 62. San Francisco Property 1 was purchased and maintained, in
22 whole or in part, using funds traceable to SUA, involved in money
23 laundering, or both.

24 63. In order to acquire San Francisco Property 2, Lacey used
25 funds transferred through the Singapore Account, the Website Tech
26 Account '2008, and Cereus Properties accounts, as well as annuity
27 accounts that Lacey controlled, as follows:

28 a. Illicit proceeds were deposited into the Singapore Account,

1 passed-through Account 1, then passed-through Account 2 and
2 transferred to Account 11. Thereafter, funds from Account 11 were
3 used to support and maintain San Francisco Property 1.

4 b. On May 18, 2016, grant deed instrument number 2016-K245482-
5 00 of the San Francisco County official records, transferred San
6 Francisco Property 1 to Lacey and his female partner.

7 c. Thereafter, on October 10, 2017, over \$10,000 in funds from
8 Account 11 were used to purchase or maintain San Francisco Property 1.

9 **J. San Francisco Property 2**

10 64. San Francisco Property 2 was purchased and maintained, in
11 whole or in part, using funds traceable to SUA, involved in money
12 laundering, or both.

13 65. During the period of December 14 through December 29, 2015,
14 as GoCoin's partial payment for the Bitcoins Backpage sold it during
15 the period of September 4 through November 23, 2015, the Slovakia
16 Account wired over \$1,250,000 to Website Tech Account '2008.

17 66. After December 14, 2015, Website Tech Account '2008 then
18 transferred funds via multiple pass-through accounts controlled by
19 Lacey and other Backpage Operators, which, as of June 21, 2016,
20 resulted in approximately \$5,400,000 ending up in Arizona Bank &
21 Trust account '1793, controlled by Lacey ("AB&T Account '1793").

22 67. On June 27, 2016, AB&T Account '1793 wired \$397,500.00 to
23 Fidelity National Title Company. The notation on this wire was
24 "XXX(Earnest Money)XXXXXX." On July 20, 2016, AB&T Account '1793
25 wired \$12,859,152.57 to Fidelity National Title Company. The
26 notation on this wire was "XX(Balance of Property)XXXXX."

27 68. Casa Bahia for San Francisco, LLC, a Delaware limited
28 liability company, was the entity used to take title to San

1 Francisco, California Property 2, and is owned by Lacey. On July 21,
2 2016, by grant deed, San Francisco Property 2 was transferred to
3 Lacey. On June 21, 2017, by grant deed and for no consideration,
4 Lacey transferred San Francisco Property 2 to Casa Bahai for San
5 Francisco, LLC, a Delaware limited liability company, as evidenced by
6 instrument number 2017-K466276099 of the San Francisco County
7 official records. As noted in the grant deed:

8 There was no consideration for this transfer. This is a
9 transfer between an individual or individuals and a legal
10 entity or between legal entities that results solely in a
11 change in the method of holding title and in which
12 proportional ownership inters in the realty remain the
13 same. . .

14 **K. San Francisco Property 3**

15 69. San Francisco Property 3 was purchased and maintained, in
16 whole or in part, using funds traceable to SUA, involved in money
17 laundering, or both.

18 70. Beginning in February 2013, illicit funds from Backpage's
19 U.S. Bank account '1165 passed-through various Backpage or Backpage
20 Operators accounts, eventually ending up in BMO Harris account '5263,
21 owned or controlled by Lacey. In May 2015, over \$10,000 of funds
22 from BMO Harris account '5263 was used to purchase or maintain San
23 Francisco Property 3.

24 **L. Sedona Property**

25 71. The Sedona Property was purchased and maintained, in whole
26 or in part, using funds traceable to SUA, involved in money
27 laundering, or both.

28 72. In October 2017, Account 2 wired approximately \$297,795 to
29 Account 4. On November 13, 2018, \$6,725.54 from Account 4 was used
30 to support or maintain the Sedona Property.

1 **M. Paradise Valley Property 2**

2 73. Paradise Valley Property 2 was purchased and maintained, in
3 whole or in part, using funds traceable to SUA, involved in money
4 laundering, or both.

5 74. In 2005, for approximately \$1,500,000, Lacey purchased the
6 Paradise Valley Property 2. In 2010, the Paradise Valley Property
7 was used as collateral for a \$1 million loan (the "2010 Loan").
8 Beginning no later than January 2012, illicit proceeds were used to
9 service the debt on the 2010 Loan. Specifically:

10 a. Between February 4 and June 6, 2013, through a series of
11 wire transfers, Backpage's U.S. Bank account '1165 transferred
12 approximately \$41,500,000 to BMO Harris Bank account '5263.

13 b. Between March 2013, and January 2016, through a series of
14 periodic transactions, approximately \$174,749.39 from BMO Harris Bank
15 account '5263 was used to service the debt on the 2010 Loan.

16 **JAMES LARKIN ASSETS**

17 **N. Accounts 13, 15, 16, 17, AND 18 (RBA '1889, '2592, '1938,**
18 **'1897, '8103, '8162, AND '8189)**

19 75. Account 13, held in the name of Larkin, was funded with
20 proceeds alleged to have been traceable to SUA, involved in money
21 laundering, or both.

22 a. On July 6, 2017, Account 2 transferred \$971,651.51 into
23 Account 13.

24 b. On July 28, 2017, Account 13 transferred \$400,000 into
25 Account 14.

26 76. Account 15 is held in the name of Larkin.

27 a. From March 2015 through November 2017, the Netherlands
28 Account received several millions of dollars in criminal proceeds

1 from Binary Trading.

2 b. On December 2, 2016, the Netherlands Account transferred
3 \$324,055.85 to Account 2.

4 c. On December 8, 2016, the Netherlands Account transferred
5 \$499,970.00 to Account 2.

6 d. On December 27, 2016, the Netherlands Account transferred
7 \$199,970.00 to Account 2, which account then transferred funds
8 through Account '9863 and into Account 3.

9 e. On December 13, 2017, Account 3 transferred \$406,211.10 to
10 Account 15.

11 77. Account 16, 17, and 18 are CDARS Accounts held in the name
12 of Larkin.

13 a. On July 28, 2017, Account 13 transferred \$400,000 into
14 Account 14.

15 b. On or about February 8, 2018, \$1 million in funds from
16 Account 14 was used to fund Account 16 (which received \$500,000),
17 Account 17 (which received \$250,000), and Account 18 (which received
18 \$250,000).

19 **O. Accounts 19 AND 20 (PCTC ACCOUNT '0012 FUNDS, PERKINS COIE**
20 **'0012)**

21 78. Account 19 is held in the name of Larkin's spouse, Margaret
22 Larkin, and was funded with proceeds traceable to SUA, involved in
23 money laundering, or both.

24 a. On December 31, 2015, Website Tech Account '2008
25 transferred \$811,424 to the Slovakia Account.

26 b. On January 11, 2016, the Slovakia Account transferred
27 approximately \$1,300,000 to Charles Schwab account '4693, held in the
28 name of Larkin ("Charles Schwab Account '4693").

1 c. On January 14, 2016, Charles Schwab Account '4693
2 transferred approximately \$13,500,000 to Northern Trust Company
3 account '9562 (under the name "Ocotillo Family Trust," owned and
4 controlled by Larkin and Margaret Larkin).

5 d. In July 21, 2017, Account '9562 transferred \$6,014,000 to
6 Morgan Stanley account '1673 (held in the name of Larkin and Margaret
7 Larkin).

8 e. In or about November 2017, Morgan Stanley elected to
9 terminate its business relationship with Larkin.

10 f. On November 30, 2017, all the funds then held in Morgan
11 Stanley account '1673 (about \$10,000,000) were transferred to Account
12 19.

13 g. Some of the funds in Account 19 were used to purchase bonds
14 and/or securities, which were held in Account 20.

15 **P. Account 21 (ACF '2020)**

16 79. Account 21 contains securities and investment vehicles held
17 in the name of Ocotillo Family Trust, which is owned and controlled
18 by Larkin and his spouse, and was funded with proceeds traceable to
19 SUA, involved in money laundering, or both.

20 a. During the period of March 23 through March 31, 2016,
21 Website Tech Account '2008 sent three wire transfers totaling
22 \$3,694,813.60 to Arizona Bank & Trust account number '6211, belonging
23 to Cereus Properties ("Account '6211").

24 b. During the period of April 1, 2016, through July 1, 2016,
25 Account '6211 sent five wire transfers totaling \$5,750,294 to Charles
26 Schwab Account '4693.

27 c. On July 1, 2016, Charles Schwab Account '4693 transferred
28 \$15,000,000 to Account 21.

1 d. During the period of August 2, 2016, through October 6,
2 2016, Account '6211 sent six wire transfers totaling \$9,550,315 to
3 Charles Schwab Account '4693.

4 e. On January 3, 2017, Charles Schwab Account '4693
5 transferred \$2,500,000 to Account 21.

6 f. On January 4, 2017, Charles Schwab Account '4693
7 transferred \$2,500,000 Account 21.

8 **Q. Accounts 22 AND 23 (BA '8225 and '7054)**

9 80. Account 22 is held in the name of one of T. Larkin, and was
10 used in furtherance of the money laundering scheme described herein,
11 and in an attempt to further conceal or disguise the nature,
12 location, source, ownership or control of the criminal proceeds.

13 81. On February 2, 2018, Account 2 wire transferred \$28,337
14 into Account 22.

15 82. Account 23 is held in the name of R. Larkin. On February
16 2, 2018, Account 2 wire transferred \$28,337 into Account 23.

17 **R. Saint Helena Property**

18 83. The Saint Helena Property was purchased and maintained, in
19 whole or in part, using funds traceable to SUA, involved in money
20 laundering, or both.

21 84. Between February 4 and June 6, 2013, approximately
22 \$41,500,000 in illicit funds were transferred to Camarillo Holdings
23 LLC, BMO Harris Bank account '7172. On October 2, 2013, BMO Harris
24 Bank account '7172 wired \$26,130.64 to Larkin's BMO Harris Bank
25 account '3110. Thereafter, on November 3, 2016, over \$10,000 of
26 funds from BMO Harris Bank account '7172 were used to purchase or
27 maintain the Saint Helena Property.
28

1 **S. Chicago Property**

2 85. The Chicago Property was purchased and maintained, in whole
3 or in part, using funds traceable to SUA, involved in money
4 laundering, or both.

5 86. Illicit funds originating from Backpage's U.S. Bank account
6 '1165 were passed-through accounts owned or controlled by Backpage or
7 Backpage Operators, and ended up in BMO Harris Bank account '3110.
8 Thereafter, on October 2, 2015, BMO Harris Bank account '3110
9 transferred \$138,000 to Chicago Title and Trust Company as payment
10 towards the purchase of the Chicago Property.

11 **T. Paradise Valley Property 1**

12 87. Paradise Valley Property 1 was purchased and maintained, in
13 whole or in part, using funds traceable to SUA, involved in money
14 laundering, or both.

15 88. Approximately \$41.5 million in illicit funds from
16 Backpage's U.S. Bank account '1165 passed through various Backpage or
17 Backpage Operators accounts. Following these various transfers,
18 eventually, on October 2, 2013, a total of approximately \$26,130.64
19 was transferred into BMO Harris account '3110, owned or controlled by
20 Larkin. Thereafter, on December 11, 2014, BMO Harris Bank account
21 '3100 paid \$46,957.28 to maintain the Paradise Valley property 1.

22 **U. Paradise Valley Property 7**

23 89. Paradise Valley Property 7 was purchased and maintained, in
24 whole or in part, using funds traceable to SUA, involved in money
25 laundering, or both

26 90. Illicit funds originating from Backpage's U.S. Bank account
27 '1165 were passed-through accounts owned or controlled by Backpage or
28 Backpage Operators, and ended up in BMO Harris Bank account '3110,

1 from which account over \$10,000 was paid to maintain Paradise Valley
2 Property 7.

3 **JOHN BRUNST ASSETS**

4 **V. Account 24 (COMPASS BANK `3825)**

5 91. Account 24 is held in the name of Brunst, and was used in
6 furtherance of the money laundering scheme described herein, and in
7 an attempt to further conceal or disguise the nature, location,
8 source, ownership or control of the proceeds of SUA.

9 92. On February 2, 2018, Account 2 wire transferred \$135,956.59
10 into Account 24.

11 **W. Account 25, 26, 27, 28, 29, 30 (AB `6878, `4954, `7982,
12 `7889, `7888 AND `6485)**

13 93. Accounts 25, 26, 27, 28, 29, and 30 are held in the name of
14 the "Brunst Family Trust." Brunst and his wife are the sole trustees
15 for these accounts, which were funded with proceeds traceable to SUA,
16 involved in money laundering, or both.

17 a. On December 31, 2015, Website Tech Account `2008
18 transferred \$811,424 to Account `6211.

19 b. On December 6, 2016, Account `6211 transferred \$161,459 to
20 Wells Fargo Bank account `4891, belonging to Brunst ("Account
21 `4891").

22 c. On January 4, 2017, Account `6211 transferred another
23 \$258,841 to Account `4891.

24 d. On January 5, 2017, Account `4891 transferred \$300,000 to
25 Wells Fargo Bank account `7474, belonging to the Brunst Family Trust
26 ("Account `7474").

27 e. On May 19, 2017, Account `7474 transferred approximately
28 \$1,500,000 into Account 25.

1 f. On May 23, 2017, Account 25 transferred approximately
2 \$350,000 to Account 25.

3 g. On June 7, 2017, Account 25 transferred approximately
4 \$1,340,000 to Account 25.

5 h. On September 13, 2017, Account 25 transferred approximately
6 \$581,000 to Account 27.

7 i. On September 13, 2017, Account 25 transferred approximately
8 \$250,000 to Account 28.

9 j. On September 13, 2017, Account 25 transferred approximately
10 \$250,000 to Account 29.

11 k. On September 15, 2017, Account 25 transferred approximately
12 \$500,000 to Account 30.

13 **SCOTT SPEAR ASSETS**

14 **X. Accounts 31, 32, AND 33 (NBA '0178, '0151, and '3645)**

15 94. Accounts 31 and 32 are held in the name of Spear, which
16 accounts were funded with proceeds traceable to SUA, involved in
17 money laundering, or both. Account 33 is held in trust for the
18 benefit of Spear and certain of his family members, which account was
19 funded with proceeds traceable to SUA, involved in money laundering,
20 or both. In furtherance of the money laundering scheme, and in an
21 attempt to further conceal the true nature of the criminal proceeds,
22 go-between accounts served to funnel money from one account to
23 another.

24 a. Between January 21 and August 31, 2016, Website Tech
25 Account '2008 sent approximately 27 wire transfers totaling
26 approximately \$48,000,000 to Account '6211.

27 b. Between March 1, 2016, and July 1, 2016, Account '6211
28 transferred \$892,426 into Account 31.

1 c. On September 14, 2017, Account 2 wire transferred
2 \$50,162.05 into Account 31.

3 d. On October 12, 2017, Account 31 transferred approximately
4 \$21,500 into Account 32.

5 e. On January 5, 2018, Account 31 transferred approximately
6 \$600,000 into Account 33.

7 **Y. Account 34 (Live Oak Bank Account '6910)**

8 95. Account 34 is held in the name of Spear, and was funded
9 with proceeds traceable to SUA, involved in money laundering, or
10 both.

11 96. On or about March 16, 2016, as an opening deposit, Account
12 31 transferred \$250,000 into Account 34.

13 **Z. Account 35 and 36 (Ascensus Broker Services '4301 and '8001)**

14 97. Accounts 35 and 36 are held in the name of N. Spear,
15 Spear's adult daughter, and were funded with proceeds traceable to
16 SUA, involved in money laundering, or both.

17 a. On February 23, 2017, Account 31 transferred approximately
18 \$50,000 into Account 35.

19 b. On the February 23, 2017, Account 31 transferred \$50,000
20 into Account 36.

21 **PRIMUS TRUST ASSETS**

22 **AA. Account 37 (K&H Bank Account '1210)**

23 98. Account 37 is located in Hungary, and held in the name of
24 Primus Trust Company ("Binghampton Trust") for the benefit of Lacey.
25 In furtherance of the money laundering scheme, Account 37 was funded
26 with proceeds traceable to SUA, involved in money laundering, or
27 both.

28 99. The tracing of this account involves numerous banks and

1 bank accounts, both foreign and domestic. The accounts include:
 2 Website Tech Account '2008; Account '6211; Arizona Bank & Trust
 3 annuity trust account numbers '1967, '1972, '1986, '1991, and '2014,
 4 all held in Lacey's name ("AZBT Annuity Accounts"); and Johnson
 5 Financial account '9992, held in an IOLTA, with Lacey as the sole
 6 beneficiary.

7 a. Between December 14, 2015, and January 15, 2016, the
 8 Slovakia Account sent approximately 26 wire transfers totaling over
 9 \$2,500,000 to Website Tech Account '2008 in the United States.

10 b. On January 15, 2016, Website Tech Account '2008 transferred
 11 \$189,571 to Verizon in Los Angeles, California, in payment for
 12 Backpage internet services, which served, in whole or in part, to
 13 promote sex trafficking and illegal prostitution.

14 c. Between January 21 and August 31, 2016, Website Tech
 15 Account '2008 sent approximately 27 wire transfers totaling
 16 approximately \$48,000,000 to Account '6211.

17 d. Between April 1 and October 6, 2016, in approximately 12
 18 wires, Account '6211 sent over \$18,000,000 to the AZBT Annuity Trust
 19 Accounts.

20 e. On December 29, 2016, in five wires, the AZBT Annuity
 21 Trusts Accounts sent approximately \$16,500,000 to Johnson Financial
 22 account '9992.

23 f. On January 3, 2017, Johnson Financial account '9992
 24 transferred \$16,500,000 to Account 37.

25 AD TECH BV ASSETS

26 **BB. Accounts 56, 57, and 58 (Fio Bank '5803, '5801, and '5805)**
 27 100. Accounts 56, 57, and 58 are located in the Czech Republic
 28 and held in the name of Ad Tech BV, identifying Ferrer as the

1 ultimate beneficial owner, which accounts were funded with proceeds
2 traceable to SUA, involved in money laundering, or both.

3 101. Account 56, 57, and 58 were set up and maintained to
4 receive payments for Backpage ads, that is, for "accounts
5 receivable." Merchant processors would accept credit card payments
6 and Bitcoins from Backpage advertisers as credit to place ads for
7 prostitution and other services. The merchant processors would then
8 transfer these funds to accounts set up to receive such payments,
9 specifically including Accounts 56, 57, and 58. All funds contained
10 within Accounts 56, 57, and 58 are traceable to SUA and involved in
11 money laundering.

12 **CC. Accounts 47, 48, 49 and 50 (BF Accounts 'K000 K, 'K000 U,**
13 **'K000 E, and 'K001 K)**

14 102. Accounts 47, 48, 49, and 50 are located in Principality of
15 Liechtenstein, and held for the benefit of Ferrer, which accounts
16 were funded with proceeds traceable to SUA, involved in money
17 laundering, or both.

18 103. Accounts 47, 48, 49, and 50 were set up and maintained to
19 receive payments for Backpage ads, that is, for "accounts
20 receivable." Merchant processors would accept credit card payments
21 and Bitcoins from Backpage advertisers as credit to place ads for
22 prostitution and other services. The merchant processors would then
23 transfer these funds to accounts set up to receive such payments,
24 specifically including Accounts 47, 48, 49, and 50. All funds
25 contained within Accounts 47, 48, 49, and 50 are traceable to SUA and
26 involved in money laundering.

GOLD LEAF SRO FUNDS HELD AT FIO BANK

DD. Account 38, 39, and 30 (Fio Bank '2226, '2231, and '2230)

104. Accounts 38, 39, and 40 are located in the Czech Republic, and held for the benefit of Backpage by a third party entity named, "Gold Leaf SRO." Accounts 38, 39, and 40 were funded with proceeds traceable to SUA, involved in money laundering, or both.

105. Accounts 38, 39, and 40 were created outside the United States with the intention of avoiding the "blockade" of Backpage set up by U.S. credit card companies that refused to process Backpage receipts following negative press associated with Backpage. Approximately 99.5% of the payments into these accounts were to be transferred to accounts held by Ad Tech BV, a Backpage controlled company located in the Netherlands, after which transfer, the funds could be directed for the benefit of Backpage or Backpage Operators in the U.S. or abroad. All funds contained within Accounts 38, 39, and 40 are traceable to SUA and involved in money laundering.

PROTECCTIO SRO FUNDS HELD AT FIO BANK

EE. Accounts 41, 42, and 43 (Fio Bank '4194, '4196, and '4198)

106. Accounts 41, 42, and 43 are located in the Czech Republic, and held for the benefit of Backpage by a third party entity named, "Protecctio SRO." Accounts 41, 42, and 43 were funded with proceeds traceable to SUA, involved in money laundering, or both.

107. Accounts 41, 42, and 43 were created outside the United States with the intention of avoiding the "blockade" of Backpage set up by U.S. credit card companies that refused to process Backpage receipts following negative press associated with Backpage. Approximately 99.5% of the payments into these accounts were to be transferred to accounts held by Ad Tech BV, a Backpage controlled

1 company located in the Netherlands, after which transfer the funds
2 could be directed for the benefit of Backpage or Backpage Operators
3 in the U.S. or abroad. All funds contained within Accounts 41, 42,
4 and 43 are traceable to SUA and involved in money laundering.

5 **VARICOK SRO FUNDS HELD AT FIO BANK**

6 **FF. Accounts 44, 45, and 46 (Fio Bank '8083, '8086, and '8080)**

7 108. Accounts 44, 45, and 46 are located in the Czech Republic,
8 and held in the name of Varicok Company SRO. Accounts 44, 45, and 46
9 were funded with proceeds traceable to SUA, involved in money
10 laundering, or both.

11 109. Accounts 44, 45, and 46 were created outside the United
12 States with the intention of avoiding the "blockade" of Backpage set
13 up by U.S. credit card companies that refused to process Backpage
14 receipts following negative press associated with Backpage.
15 Approximately 99.5% of the payments into these accounts were to be
16 transferred to accounts held by Ad Tech BV, a Backpage controlled
17 company located in the Netherlands, after which transfer, the funds
18 could be directed for the benefit of Backpage or Backpage Operators
19 in the U.S. or abroad. All funds contained within Accounts 44, 45,
20 and 46 are traceable to SUA and involved in money laundering.

21 **PROCOP SERVICES BV FUNDS HELD AT KNAB BANK**

22 **GG. Account 51 (KB '7664)**

23 110. Account 51 is located in the Kingdom of the Netherlands,
24 and held for the benefit of Backpage by a third party entity named,
25 "Procop Services BV." Account 51 was funded with proceeds traceable
26 to SUA, involved in money laundering, or both.

27 111. Account 51 was created outside the United States with the
28 intention of avoiding the "blockade" of Backpage set up by U.S.

1 credit card companies that refused to process Backpage receipts
2 following negative press associated with Backpage. Approximately
3 99.5% of the payments into Accounts 51 was to be transferred to
4 accounts held by Ad Tech BV, a Backpage controlled company located in
5 the Netherlands, after which transfer, the funds could be directed
6 for the benefit of Backpage or Backpage Operators in the U.S. or
7 abroad. All funds contained within Account 51 are traceable to SUA
8 and involved in money laundering.

9 **GULIETTA GROUP BV FUNDS HELD AT RABO BANK**

10 **HH. Accounts 52 and 53 (RB '2452 and '4721)**

11 112. Accounts 52 and 53 are located in the Kingdom of the
12 Netherlands and held for the benefit of Backpage by a third party
13 entity named, "Gulietta Group BV." Accounts 52 and 53 were funded
14 with proceeds traceable to SUA, involved in money laundering, or
15 both.

16 113. Accounts 52 and 53 were created outside the United States
17 with the intention of avoiding the "blockade" of Backpage set up by
18 U.S. credit card companies that refused to process Backpage receipts
19 following negative press associated with Backpage. Approximately
20 99.5% of the payments into these accounts were to be transferred to
21 accounts held by Ad Tech BV, a Backpage controlled company located in
22 the Netherlands, after which transfer, the funds could be directed
23 for the benefit of Backpage or Backpage Operators in the U.S. or
24 abroad. All funds contained within Accounts 52 and 53 are traceable
25 to SUA and involved in money laundering.

CASHFLOWS EUROPE LTD FUNDS HELD FOR GULIETTA GROUP B.V., UNIVERSADS
B.V., PROCOPSERVICES B.V. and PROTECCIO SRO

II. Account 55 (SP '1262)

114. Account 55 is located in the United Kingdom and held by a third party entity, "Cashflows Europe Limited" ("Cashflows"). Although Backpage is the ultimate beneficiary of Account 55, Cashflows acts first as an entity holding this account for the benefit of Gulietta Group B.V., Universads B.V., Procop Services B.V., and Proteccio SRO (collectively referred to as, the "Entities"), each of which company is owned or controlled by Backpage. Account 55 was funded with proceeds traceable to SUA, involved in money laundering, or both.

115. Account 55 was created outside the United States with the intention of avoiding the "blockade" of Backpage set up by U.S. credit card companies that refused to process Backpage receipts following negative press associated with Backpage. Approximately 99.5% of the payments into Accounts 55 was to be transferred to accounts held by Ad Tech BV, a Backpage controlled company located in the Netherlands, after which transfer, the funds could be directed for the benefit of Backpage or Backpage Operators in the U.S. or abroad. All funds contained within Account 55 are traceable to SUA and involved in money laundering.

JJ. Account 54 (LHVP '4431)

116. Account 54 is an account maintained in the Republic of Estonia, held in the name of Olist OU for the benefit of Backpage. Account 54 was funded with proceeds traceable to SUA, involved in money laundering, or both.

117. Account 54 was created outside the United States with the

1 intention of avoiding the "blockade" of Backpage set up by U.S.
2 credit card companies that refused to process Backpage receipts
3 following negative press associated with Backpage. Approximately
4 99.5% of the payments into Accounts 54 was to be transferred to
5 accounts held by Ad Tech BV, a Backpage controlled company located in
6 the Netherlands, after which transfer, the funds could be directed
7 for the benefit of Backpage or Backpage Operators in the U.S. or
8 abroad. All funds contained within Account 54 are traceable to SUA
9 and involved in money laundering.

10 **BACKPAGE-CONTROLLED DOMAIN NAMES**

11 **KK. ASCIO/WMB Inc Domain Names**

12 118. Until recently, Backpage controlled numerous domain names,
13 which have since been seized by the government pursuant to a seizure
14 warrant issued in this district.¹¹

15 119. The Seized Domains are registered by "ASCIO TECHNOLOGIES
16 INC" DBA "NETNAMES," a domain registrar that manages the reservation
17 of internet domain names. A domain registrar serves to ensure that a
18 registered domain name, like each of the Seized Domains, is not
19 double sold.

20 120. Additionally, a domain registration will allow the owner of
21 the domain to direct internet traffic to a company's webserver. The
22 Seized Domains were found to have been acquired and maintained with
23 funds traceable to the money laundering scheme described herein,
24 specifically with funds from Account 1, and the Seized Domains were
25 the mechanism Backpage used to promote the prostitution and sex
26 trafficking activity.

27 121. The following domains constitute and are derived from
28

¹¹ 18-MJ-00711

proceeds traceable to SUA, involved in money laundering, or both:

- a. atlantabackpage.com
- b. backpage.be
- c. backpage.com
- d. backpage.com.br
- e. backpage.cz
- f. backpage.dk
- g. backpage.ee
- h. backpage.es
- i. backpage.fi
- j. backpage.fr
- k. backpage.gr
- l. backpage.hu
- m. backpage.ie
- n. backpage.it
- o. backpage.lt
- p. backpage.mx
- q. backpage.net
- r. backpage.no
- s. backpage.pl
- t. backpage.pt
- u. backpage.ro
- v. backpage.si
- w. backpage.sk
- x. backpage.us
- y. backpage-insider.com
- z. bestofbackpage.com
- aa. bestofbigcity.com

bb. bigcity.com
cc. chicagobackpage.com
dd. denverbackpage.com
ee. newyorkbackpage.com
ff. phoenixbackpage.com
gg. sandiegobackpage.com
hh. seattlebackpage.com
ii. tampabackpage.com

LL. SURRENDERED DOMAIN NAMES

122. Until recently, Backpage also controlled numerous domain names that Backpage has since surrendered (pursuant to its guilty plea on April 5, 2018, in the District of Arizona).

123. The following websites were purchased and/or maintained, in whole or in part, with proceeds traceable to SUA, involved in money laundering, or both:

a. admoderation.com (Versio)
b. admoderators.com (Versio)
c. adnet.ws (NetNames)
d. adplace24.com (Versio)
e. adplaces24.com (Versio)
f. adpost24.com (Versio)
g. adpost24.cz (GoDaddy)
h. adquick365.com (Versio)
i. adreputation.com (NetNames)
j. ads-posted-mp.com (Versio)
k. adsplace24.com (Versio)
l. adspot24.com (Versio)

1 m. adspots24.com (Versio)
2 n. adsspot24.com (Versio)
3 o. adtechbv.co.nl (NetNames)
4 p. adtechbv.com (NetNames)
5 q. adtechbv.nl (NetNames)
6 r. advert-ep.com (Versio)
7 s. adverts-mp.com (Versio)
8 t. axme.com (GoDaddy)
9 u. back0age.com (NetNames)
10 v. backpa.ge (NetNames)
11 w. backpageee.com (NetNames)
12 x. backpage-insider.com (NetNames)
13 y. backpage.adult (NetNames)
14 z. backpage.ae (NetNames)
15 aa. backpage.at (NetNames)
16 bb. backpage.ax (NetNames)
17 cc. backpage.be (NetNames)
18 dd. backpage.bg (European domains)
19 ee. backpage.bg (NetNames)
20 ff. backpage.ca (NetNames)
21 gg. backpage.cl (NetNames)
22 hh. backpage.cn (European domains)
23 ii. backpage.cn (NetNames)
24 jj. backpage.co.id (NetNames)
25 kk. backpage.co.nl (European domains)
26 ll. backpage.co.nl (NetNames)
27 mm. backpage.co.nz (NetNames)
28 nn. backpage.co.uk (NetNames)

1 oo. backpage.co.ve (NetNames)
2 pp. backpage.co.za (NetNames)
3 qq. backpage.com (NetNames)
4 rr. backpage.com.ar (NetNames)
5 ss. backpage.com.au (NetNames)
6 tt. backpage.com.ph (NetNames)
7 uu. backpage.cz (NetNames)
8 vv. backpage.dk (NetNames)
9 ww. backpage.ec (NetNames)
10 xx. backpage.ee (European domains)
11 yy. backpage.ee (NetNames)
12 zz. backpage.es (NetNames)
13 aaa. backpage.fi (European domains)
14 bbb. backpage.fi (NetNames)
15 ccc. backpage.fr (European domains)
16 ddd. backpage.fr (NetNames)
17 eee. backpage.gr (European domains)
18 fff. backpage.gr (NetNames)
19 ggg. backpage.hk (European domains)
20 hhh. backpage.hk (NetNames)
21 iii. backpage.hu (European domains)
22 jjj. backpage.hu (NetNames)
23 kkk. backpage.ie (NetNames)
24 lll. backpage.in (NetNames)
25 mmm. backpage.it (NetNames)
26 nnn. backpage.jp (NetNames)
27 ooo. backpage.kr (NetNames)
28 ppp. backpage.lt (NetNames)

1 qqq. backpage.lv (European domains)
2 rrr. backpage.lv (NetNames)
3 sss. backpage.me (NetNames)
4 ttt. backpage.mx (NetNames)
5 uuu. backpage.my (NetNames)
6 vvv. backpage.net (NetNames)
7 www. backpage.nl (NetNames)
8 xxx. backpage.no (European domains)
9 yyy. backpage.no (NetNames)
10 zzz. backpage.nz (NetNames)
11 aaaa. backpage.pe (NetNames)
12 bbbb. backpage.ph (NetNames)
13 cccc. backpage.pk (NetNames)
14 dddd. backpage.pl (NetNames)
15 eeee. backpage.porn (NetNames)
16 ffff. backpage.pt (NetNames)
17 gggg. backpage.ro (European domains)
18 hhhh. backpage.ro (NetNames)
19 iiii. backpage.se (NetNames)
20 jjjj. backpage.sex (NetNames)
21 kkkk. backpage.sg (NetNames)
22 llll. backpage.si (European domains)
23 mmmm. backpage.si (NetNames)
24 nnnn. backpage.sk (European domains)
25 oooo. backpage.sk (NetNames)
26 pppp. backpage.sucks (NetNames)
27 qqqq. backpage.tw (NetNames)
28 rrrr. backpage.uk (NetNames)

1	ssss.	backpage.uk.com (NetNames)
2	tttt.	backpage.us (NetNames)
3	uuuu.	backpage.vn (NetNames)
4	vvvv.	backpage.xxx (NetNames)
5	www.	backpage.xyz (NetNames)
6	xxxx.	backpagecompimp.com (NetNames)
7	yyyy.	backpagecompimps.com (NetNames)
8	zzzz.	backpagepimp.com (NetNames)
9	aaaaa.	backpagepimps.com (NetNames)
10	bbbbb.	backpagg.com (NetNames)
11	ccccc.	backpagm.com (NetNames)
12	dddd.	backpagu.com (NetNames)
13	eeee.	backpaoe.com (NetNames)
14	fffff.	backpawe.com (NetNames)
15	ggggg.	backqage.com (NetNames)
16	hhhhh.	backrage.com (NetNames)
17	iiiii.	backxage.com (NetNames)
18	jjjjj.	bakpage.com (NetNames)
19	kkkkk.	bcklistings.com (NetNames)
20	lllll.	bestofbackpage.com (NetNames)
21	mmmmm.	bestofbigcity.com (NetNames)
22	nnnnn.	bickpage.com (NetNames)
23	oooo.	bigcity.com (NetNames)
24	ppppp.	bpclassified.com (NetNames)
25	qqqqq.	bpclassifieds.com (NetNames)
26	rrrrr.	carlferrer.com (NetNames)
27	sssss.	clasificadosymas.com (NetNames)
28	ttttt.	clasificadosymas.net (NetNames)

1	uuuuu.	clasificadosymas.org (NetNames)
2	vvvvv.	classifiedsolutions.co.uk (NetNames)
3	www.	classifiedsolutions.net (NetNames)
4	xxxxx.	classyadultads.com (Versio)
5	yyyyy.	columbusbackpage.com (NetNames)
6	zzzzz.	connecticutbackpage.com (NetNames)
7	aaaaa.	cracker.co.id (NetNames)
8	bbbbbb.	cracker.com (NetNames)
9	cccccc.	cracker.com.au (NetNames)
10	dddddd.	cracker.id (NetNames)
11	eeeeee.	cracker.net.au (NetNames)
12	ffffff.	crackers.com.au (NetNames)
13	gggggg.	crackers.net.au (NetNames)
14	hhhhhh.	ctbackpage.com (NetNames)
15	iiiiii.	dallasbackpage.com (NetNames)
16	jjjjjj.	denverbackpage.com (NetNames)
17	kkkkkk.	easypost123.com (Versio)
18	llllll.	easyposts123.com (Versio)
19	mmmmmm.	emais.com.pt (NetNames)
20	nnnnnn.	evilempire.com (NetNames)
21	oooooo.	ezpost123.com (Versio)
22	pppppp.	fackpage.com (NetNames)
23	qqqqqq.	fastadboard.com (Versio)
24	rrrrrr.	guliettagroup.nl (Versio)
25	ssssss.	http.org (NetNames)
26	tttttt.	ichold.com (NetNames)
27	uuuuuu.	internetspeechfoundation.com (nameisp)
28	vvvvvv.	internetspeechfoundation.org (nameisp)

1	wwwwww.	loads2drive.com (NetNames)
2	xxxxxxx.	loadstodrive.com (NetNames)
3	yyyyyyy.	loadtodrive.com (NetNames)
4	zzzzzzz.	losangelesbackpage.com (NetNames)
5	aaaaaaa.	mediafilecloud.com (NetNames)
6	bbbbbbb.	miamibackpage.com (NetNames)
7	ccccccc.	minneapolisbackpage.com (NetNames)
8	ddddddd.	mobileposting.com (Versio)
9	eeeeeee.	mobilepostings.com (Versio)
10	fffffff.	mobilepostlist.com (Versio)
11	ggggggg.	mobilposting.com (Versio)
12	hhhhhhh.	naked.city (NetNames)
13	iiiiiii.	nakedcity.com (NetNames)
14	jjjjjjj.	newyorkbackpage.com (NetNames)
15	kkkkkkk.	paidbyhour.com (NetNames)
16	lllllll.	petseekr.com (NetNames)
17	mmmmmmm.	petsfindr.com (NetNames)
18	nnnnnnn.	phoenixbackpage.com (NetNames)
19	oooooooo.	posteasy123.com (Versio)
20	ppppppp.	postfaster.com (NetNames)
21	qqqqqqq.	postfastly.com (NetNames)
22	rrrrrrr.	postfastr.com (NetNames)
23	sssssss.	postonlinewith.com (Versio)
24	ttttttt.	postonlinewith.me (Versio)
25	uuuuuuu.	postseasy123.com (Versio)
26	vvvvvvv.	postsol.com (GoDaddy)
27	wwwwwww.	postszone24.com (Versio)
28	xxxxxxxx.	postzone24.com (Versio)

1 yyyyyyyy. postzones24.com (Versio)
2 zzzzzzzz. rentseekr.com (NetNames)
3 aaaaaaaa. results911.com (NetNames)
4 bbbbbbbbb. sandiegobackpage.com (NetNames)
5 cccccccc. sanfranciscobackpage.com (NetNames)
6 dddddddd. seattlebackpage.com (NetNames)
7 eeeeeeee. sellyostuffonline.com (Versio)
8 fffffff. sfbackpage.com (NetNames)
9 ggggggggg. simplepost24.com (Versio)
10 hhhhhhhhh. simpleposts24.com (Versio)
11 iiiiiii. svc.ws (NetNames)
12 jjjjjjjjj. truckrjobs.com (NetNames)
13 kkkkkkkkk. ugctechgroup.com (NetNames)
14 lllllllll. universads.nl (Versio)
15 mmmmmmmmm. villagevoicepimps.com (GoDaddy)
16 nnnnnnnnn. websitetechnologies.co.uk (NetNames)
17 oooooooo. websitetechnologies.com (NetNames)
18 ppppppppp. websitetechnologies.net (NetNames)
19 qqqqqqqqq. websitetechnologies.nl (NetNames)
20 rrrrrrrrr. websitetechnologies.org (NetNames)
21 sssssssss. weprocessmoney.com (GoDaddy)
22 ttttttttt. wst.ws (NetNames)
23 uuuuuuuuu. xn--yms-fla.com (NetNames)
24 vvvvvvvvv. ymas.ar.com (European domains)
25 wwwwwww. ymas.br.com (European domains)
26 xxxxxxxxx. ymas.br.com (NetNames)
27 yyyyyyyyy. ymas.bz (European domains)
28 zzzzzzzzz. ymas.bz (NetNames)

1	aaaaaaaaa.	ymas.cl (European domains)
2	bbbbbbbbb.	ymas.cl (NetNames)
3	ccccccccc.	ymas.co.bz (European domains)
4	ddddddddd.	ymas.co.bz (NetNames)
5	eeeeeeeeee.	ymas.co.cr (European domains)
6	fffffffffff.	ymas.co.cr (NetNames)
7	gggggggggg.	ymas.co.ni (European domains)
8	hhhhhhhhh.	ymas.co.ni (NetNames)
9	iiiiiiiiiii.	ymas.co.ve (European domains)
10	jjjjjjjjjj.	ymas.co.ve (NetNames)
11	kkkkkkkkkk.	ymas.com (NetNames)
12	lllllllllll.	ymas.com.br (European domains)
13	mmmmmmmmm.	ymas.com.br (NetNames)
14	nnnnnnnnnn.	ymas.com.bz (European domains)
15	ooooooooooo.	ymas.com.bz (NetNames)
16	pppppppppp.	ymas.com.co (European domains)
17	qqqqqqqqqq.	ymas.com.co (NetNames)
18	rrrrrrrrrrr.	ymas.com.do (European domains)
19	sssssssssss.	ymas.com.do (NetNames)
20	ttttttttttt.	ymas.com.ec (European domains)
21	uuuuuuuuuuu.	ymas.com.ec (NetNames)
22	vvvvvvvvvvv.	ymas.com.es (European domains)
23	wwwwwwwww.	ymas.com.es (NetNames)
24	xxxxxxxxxxx.	ymas.com.gt (European domains)
25	yyyyyyyyyyy.	ymas.com.gt (NetNames)
26	zzzzzzzzzzz.	ymas.com.hn (European domains)
27	aaaaaaaaaaa.	ymas.com.hn (NetNames)
28	bbbbbbbbb.	ymas.com.mx (NetNames)

1	cccccccccc.	ymas.com.ni (European domains)
2	dddddddddd.	ymas.com.ni (NetNames)
3	eeeeeeeeeee.	ymas.com.pe (European domains)
4	ffffffffffff.	ymas.com.pe (NetNames)
5	ggggggggggg.	ymas.com.pr (European domains)
6	hhhhhhhhhhh.	ymas.com.pr (NetNames)
7	iiiiiiiiiii.	ymas.com.pt (NetNames)
8	jjjjjjjjjjj.	ymas.com.uy (European domains)
9	kkkkkkkkkkk.	ymas.com.uy (NetNames)
10	lllllllllll.	ymas.com.ve (European domains)
11	mmmmmmmmmmm.	ymas.com.ve (NetNames)
12	nnnnnnnnnnn.	ymas.cr (European domains)
13	ooooooooooo.	ymas.cr (NetNames)
14	ppppppppppp.	ymas.do (European domains)
15	qqqqqqqqqqq.	ymas.do (NetNames)
16	rrrrrrrrrrr.	ymas.ec (European domains)
17	sssssssssss.	ymas.ec (NetNames)
18	ttttttttttt.	ymas.es (European domains)
19	uuuuuuuuuuu.	ymas.es (NetNames)
20	vvvvvvvvvvv.	ymas.org (NetNames)
21	wwwwwwwww.	ymas.pe (European domains)
22	xxxxxxxxxxx.	ymas.pe (NetNames)
23	yyyyyyyyyyy.	ymas.pt (NetNames)
24	zzzzzzzzzzz.	ymas.us (European domains)
25	aaaaaaaaaaaa.	ymas.us (NetNames)
26	bbbbbbbbbbb.	ymas.uy (European domains)
27	ccccccccccc.	ymas.uy (NetNames)
28	ddddddddddd.	ymas.uy.com (European domains)

BACKPAGE SURRENDERED ASSETS

MM. Assets Surrendered To The United States By Backpage

124. On or about May 8, 2018, all of the funds, digital currencies, and other property listed in this subsection were transferred into the United States Postal Inspection Service holding bank account, Bitcoins wallet, Bitcoins Cash wallet, Litecoin wallet, and Bitcoins Gold wallet. These Surrendered Assets constitute and are derived from proceeds traceable to SUA, involved in money laundering, or both.

125. On May 8, 2018, within the Stipulation for Preliminary Order of Forfeiture, CR18-465-PHX-SPL, Ferrer, in his capacity as CEO of Backpage, stipulated that the following bank funds, securities, or other assets are criminally derived proceeds of Backpage's illegal activity, involved in money laundering transactions, or both, and as such, are forfeitable property:

a. \$699,940.00 wire transferred from ING Bank account '7684, held in the name of Payment Solutions BV.

b. \$106,988.41 wire transferred from ING Bank account '2071, held in the name of Payment Solutions BV.

c. \$499,910.01 wire transferred from US Bank account '0239, held in the name of Affordable Bail Bonds LLC.

d. \$50,000.00 wire transferred from Enterprise Bank and Trust account '7177, held in the name of Global Trading Solutions LLC.

e. \$1,876.36 wire transferred from ING Bank account '2071, held in the name of Payment Solutions BV.

f. \$50,357.35 wire transferred from ING Bank account '7684, held in the name of Payment Solutions BV.

g. \$248,970.00 wire transferred from Citibank NA, account

1 '0457, held in the name of Paul Hastings LLP.

2 h. \$52,500.00 wire transferred from Enterprise Bank and Trust
3 account '7177, held in the name of Global Trading Solutions LLC.

4 i. \$65,000.00 wire transferred from Enterprise Bank and Trust
5 account '7177, held in the name of Global Trading Solutions LLC.

6 j. \$5,534.54 wire transferred from Enterprise Bank and Trust
7 account '7177, held in the name of Global Trading Solutions LLC.

8 k. \$52,500.00 wire transferred from Crypto Capital

9 i. 6 Bitcoins transferred from a Backpage controlled
10 wallet;

11 ii. 199.99995716 Bitcoins transferred from a Backpage
12 controlled wallet;

13 iii. 404.99984122 Bitcoins transferred from a Backpage
14 controlled wallet;

15 iv. 173.97319 Bitcoins transferred from a Backpage
16 controlled wallet;

17 v. 411.00019 Bitcoins transferred from a Backpage
18 controlled wallet;

19 vi. 2.00069333 Bitcoins transferred from a Backpage
20 controlled wallet;

21 vii. 136.6544695 Bitcoins transferred from a Backpage
22 controlled wallet;

23 viii. 2,673.59306905 Bitcoins Cash transferred
24 from a Backpage controlled wallet;

25 ix. 55.5 Bitcoins Cash transferred from a Backpage
26 controlled wallet;

27 x. 73.62522241 Bitcoins Cash transferred from a
28 Backpage controlled wallet;

1 xi. 16,310.79413202 Litecoin transferred from a
2 Backpage controlled wallet;

3 xii. 783.9735116 Litecoin transferred from a Backpage
4 controlled wallet; and

5 xiii. 509.81904619 Bitcoins Gold transferred from
6 a Backpage controlled wallet.

7 **NN. BACKPAGE FUNDS PREVIOUSLY HELD AT DAVIS WRIGHT TREMAINE**

8 126. On August 13, 2018, Davis Wright Tremaine initiated a wire
9 transfer of \$3,713,121.03 from Bank of America account '3414, held in
10 the name of Davis Wright Tremaine, LLP into the government holding
11 account.

12 a. Between January 13 and January 20, 2017, a GoCoin account
13 wire transferred \$1,318,800 to the Veritex Account.

14 b. On June 22, 2017, the Veritex Account wire transferred
15 \$1,000,000 into Account 27.

16 c. On April 27, 2017, the Netherlands Account wire transferred
17 \$2,500,000 to Account 27.

18 d. On April 28, 2017, the Netherlands Account wire transferred
19 \$2,500,000 to Account 27.

20 e. On May 24, 2017, Account 1 wire transferred \$500,000 into
21 Account 27.

22 f. On September 13, 2017, Account 1 wire transferred
23 \$1,000,000 into Account 27.

24 g. On September 27, 2017, the Netherlands Account wire
25 transferred about \$778,802.96 into Account 27.

26 h. On October 20, 2017, Account 1 wire transferred \$500,000
27 into Account 27.

FIRST CLAIM FOR RELIEF

(18 U.S.C. § 981(a)(1)(C))

127. Based on the facts set out above, Plaintiff alleges that the Defendant Asset constitutes, and is derived from, proceeds traceable to one or more violations of Title 18, United States Code, Sections 1591 (Sex Trafficking of Children) and 1952 (Interstate and Foreign Travel in Aid of Racketeering Enterprise), each of which is a specified unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a conspiracy to commit such offenses. The Defendant Asset is therefore subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(C).

SECOND CLAIM FOR RELIEF

(18 U.S.C. § 981(a)(1)(A))

128. Based on the facts set out above, Plaintiff alleges that the Defendant Asset was involved in, and is traceable to, property involved in one or more transactions or attempted transactions in violation of section 18 U.S.C. § 1957, and a conspiracy to commit such offenses, in violation of section 18 U.S.C. § 1956(h). Specifically, the Defendant Assets was involved in and is traceable to property involved in one or more financial transactions, attempted transactions, and a conspiracy to conduct or attempt to conduct such transactions in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activities, to wit, violations of Title 18, United States Code, Sections 1591 (Sex Trafficking of Children) and 1952 (Interstate and Foreign Travel in Aid of Racketeering Enterprise), each of which is a specified unlawful activity under 18 U.S.C. §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a conspiracy to commit such offenses. The

1 Defendant Asset is therefore subject to forfeiture to the United
2 States pursuant to 18 U.S.C. § 981(a)(1)(A).

3 **THIRD CLAIM FOR RELIEF**

4 (18 U.S.C. § 981(a)(1)(A))

5 129. Based on the facts set out above, Plaintiff alleges that
6 the Defendant Asset was involved in, and is traceable to property
7 involved in, one or more transactions or attempted transactions in
8 violation of section 18 U.S.C. § 1956(a)(1)(B)(i) (Concealment Money
9 Laundering), (a)(2) (International Money Laundering), and a
10 conspiracy to commit such offenses, in violation of section 18 U.S.C.
11 § 1956(h). Specifically, the Defendant Asset was involved in and is
12 traceable to property involved in one or more financial transactions,
13 attempted transactions, and a conspiracy to conduct or attempt to
14 conduct such transactions involving the proceeds of specified
15 unlawful activity, to wit, violations of Title 18, United States
16 Code, Sections 1591 (Sex Trafficking of Children) and 1952
17 (Interstate and Foreign Travel in Aid of Racketeering Enterprise),
18 each of which is a specified unlawful activity under 18 U.S.C.
19 §§ 1956(c)(7)(A), 1956(c)(7)(B)(iv) and 1956(c)(7)(D), and a
20 conspiracy to commit such offenses. The Defendant Asset is therefore
21 subject to forfeiture to the United States pursuant to 18 U.S.C. §
22 981(a)(1)(A).

23 WHEREFORE, plaintiff United States of America prays that:

24 (a) due process issue to enforce the forfeiture of the
25 Defendant Asset;

26 (b) due notice be given to all interested parties to appear and
27 show cause why forfeiture should not be decreed;
28

1 (c) that this Court decree forfeiture of the Defendant Asset to
2 the United States of America for disposition according to law; and

3 (d) for such other and further relief as this Court may deem
4 just and proper, together with the costs and disbursements of this
5 action.

6 Dated: October 10, 2018

NICOLA T. HANNA
United States Attorney
LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division
STEVEN R. WELK
Assistant United States Attorney
Chief, Asset Forfeiture Section

11 /s/John J. Kucera
12 JOHN J. KUCERA
Assistant United States Attorney

13 Attorneys for Plaintiff
14 United States of America

VERIFICATION

I, Lyndon A Versoza, hereby declare that:

1. I am a United States Postal Inspector with the United States Postal Inspection Service. I am the case agent for the civil forfeiture action entitled *United States v. Any and All Funds Seized from Knab Bank Account '7664*.

2. I have read the above Verified Complaint for Forfeiture and know its contents, which is based upon my own personal knowledge and reports provided to me by other agents.

3. Everything contained in the Complaint is true and correct, to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 11, 2018 in Los Angeles, California.



LYNDON A VERSOZA
U.S. Postal Inspector
United States Postal Inspection
Service